

AFRICA RECOVERY

United Nations Vol. 6 No. 4 December 1992 – February 1993

African conflicts undermining push for development

By Salim Lone

A more determined African and international commitment to tackling the continent's development challenges, propelled by emerging political renewal and the glimmer of an economic upturn in the early 1990s, is being overwhelmed by the violent conflicts tearing apart a growing number of countries. UN officials, who had warned throughout the 1980s that deteriorating economic conditions would have catastrophic political and social consequences, are now urging a renewed effort to prevent a sidelining of the continent's development agenda, as one way to limit further turmoil.

UN Secretary-General Boutros Boutros-Ghali, in a major statement on African development in December, urged the international community to give Africa time so that it "can prepare for the future without always having its back to the wall and always having to deal with one dreadful emergency after another." He had earlier said that the numerous relief operations now underway must include the longer-term process of



UN peacekeepers in Somalia: the focus on African development is being diverted.

rehabilitation and development if Africa's recovery is to be renewed.

There was a palpable sense of optimism for Africa as the 1990s began, generated by

the end of the Cold War and an anticipated "peace dividend," by the democratization drive that seemed destined then to sweep through the continent, and by the determined implementation of tough economic reforms deemed essential for recovery. As a result, the World Bank and others forecast an economic growth rate of at least 3.5 percent for 1992.

But the first three years of the 1990s have seen incomes continue to fall, with sub-Saharan Africa (except Nigeria) recording an economic growth rate of only 0.9 per cent in 1992. Adding to the gloom is the growing majority view in the development community, including at the World Bank, that a decade of structural adjustment "has left much to be desired in terms of restoring growth and social welfare to sub-Saharan Africa." (See page 13.)

The UN, which had hoped that its New Agenda for the Development of Africa in the 1990s (NADAF) signalled a revived drive for recovery, now finds that its most pressing concerns revolve not around development but around the explosive political crises affecting countries such as Somalia, Mozambique, An-

ECA: another tough year for Africa

By Roy Laishley

Africa faces another grim year, with growth in incomes, at best, barely keeping pace with population in 1993. Economic Commission for Africa (ECA) Executive Secretary Layashi Yaker warned in an end-of-year review of the continent's economic prospects.

In 1992, a cruel combination of spreading civil conflicts and political unrest, natural disasters and continuing sluggish growth in industrial countries resulted in an increase in output for Africa as a whole of only 2.4 per cent, against initial expectations of 3.5 per cent or more. With output rising at barely 2 per cent per annum so far this decade, Africa's chronic economic ills of the 1980s seem unabated. Continued low growth and resulting austerity has badly hit social spending. "All social indicators continued to worsen in 1992," Mr. Yaker said in his 18 December address to the diplomatic community in Addis Ababa.

Mr. Yaker warned that continued cutbacks in the public sector were worsening already difficult unemployment problems and were having "grave consequences for social cohesion." He



ECA head Layashi Yaker

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Africa Recovery is published in English and in French by the Communications and Project Management Division of the United Nations Department of Public Information, with support from UNDP and UNICEF. Its contents, however, do not necessarily reflect the views of the United Nations or the publication's supporting organizations. Material from this newsletter may be freely reproduced.

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UN Secretary-General urges fresh approaches for African development

Panel of experts meets to advise on implementing New Agenda

For Africa to develop, fresh approaches are needed to tackle its debt burden, achieve regional integration and diversify its economies, UN Secretary-General Boutros Boutros-Ghali declared at the first meeting of a high-level advisory panel on African development issues in Geneva on 28 December. "There is not much dispute on what needs to be done," he told the participants. "I look to you for practical advice on how development in Africa can be better coordinated and focused. What Africa needs is practical solutions."

The Secretary-General had appointed the Panel of High-Level Personalities on African Development, involving both UN and non-UN experts, to advise him on the implementation of the UN's New Agenda for the Development of Africa in the 1990s. The Agenda, adopted unanimously by the UN General Assembly in December 1991, sets out mutual responsibilities and commitments by both Africa and the international community to foster the continent's economic recovery and development.

Mr. Boutros-Ghali signalled the importance he assigned to the Panel by chairing its Geneva meeting and taking an active part in its discussions. Besides emphasizing the importance of democratic reforms in Africa, he highlighted three economic areas in particular that provided a focus for the Panel's discussions.

High-Level Personalities on African Development

The Panel's members are: Ms. Sylvie Brunel, President of Action Internationale Contre la Faim; Mr. Brownson Dede, Deputy Executive Secretary of the Organization of African Unity; Mr. Martin Huslid, Norway's representative to the UN; Mr. Edward Jaycox, Vice-President, Africa Region, of the World Bank; Mr. Simba Makoni, Executive Secretary of the Southern African Development Community; Mr. Olusegun Obasanjo, former president of Nigeria and Chairman of the Africa Leadership Forum; Mr. Laysahr Yaker, Executive Secretary of the UN Economic Commission for Africa; Ms. Catherine Bertini, Executive Director of the UN World Food Programme; Mr. Yves Berthelot, Assistant Secretary-General of the UN Conference on Trade and Development; Mr. Ibrahima Fall, UN Assistant Secretary-General for Human Rights; and Ms. Ellen Johnson Sirleaf, Assistant Administrator (Africa) of the UN Development Programme. Mr. Ahmedou Ould Abdallah, Special Coordinator for Africa and Least Developed Countries, serves as the Secretary of the Panel.

The first of these was the continent's unsustainable foreign debt, "a millstone around the neck of Africa." In sub-Saharan Africa, the Secretary-General noted, the debt is now equivalent to 106 per cent of the region's gross domestic product (GDP) and constitutes a major obstacle to the return of private invest-

ments. Reflecting concern over the impact of armed conflict on African development efforts, the panel heard reports on the situations in Somalia and Liberia from the Secretary-General's Special Representatives in the two war-torn countries, Mr. Ismat Kittani and Mr. Trevor Gordon-Somers, respectively.

UN Secretary-General Boutros Boutros-Ghali (right) addresses the first meeting of the Panel of High-Level Personalities on African Development. To his left, Mr. Ahmedou Ould Abdallah, Secretary to the Panel.



ment. Debt, worsening terms of trade and negative capital flows present enormous difficulties for Africa's development prospects, he stressed: "They make for a scandalous situation if one looks at it closely since, in the final analysis, it is the poor who are financing the rich."

On the second issue, regional cooperation, Mr. Boutros-Ghali observed that in an era of free-trade areas, common markets and an increasingly global economy, "African countries will have to join forces if they are to compete effectively in world markets." The continent's existing subregional groupings have failed as an instrument of development, he stated bluntly, nor have they always been able to avert con-

Perhaps the most important challenge facing national economies in Africa is diversification, Mr. Boutros-Ghali affirmed. The dependence of most African economies on just a few export commodities "defies common sense," since it leaves them vulnerable to unfavourable international market conditions and impels them to import a large proportion of consumer goods. For moves toward greater economic diversification to be fully effective, however, African exports to other world regions must not be blocked by the "economic iron curtains" of protectionism. "Economic liberalism and market forces all too often serve as a hypocritical rule that caters to special interests, those of the powerful," Mr. Boutros-Ghali stated.

The Panel decided that two reports would be prepared for discussion at its next meeting in Rome on 17-18 April, also to be chaired by the Secretary-General. One would examine the question of African economic diversification, and the other would look at the impact and role of African and Northern non-governmental organizations (NGOs) in Africa's development efforts. ■

Renewed calls for less debt, more aid

By Roy Laishley

In the face of persistent economic problems, compounded in many cases by civil conflicts, UN and other agencies are renewing calls for greater debt relief and increased aid flows for Africa. Despite some action by creditors, Africa's debt burden remains stubbornly high. Financial flows, while still positive, have been virtually at a standstill in recent years.

The region's financial distress, aggravated by stagnant export earnings as commodity prices continue to fall, is also seen in the ballooning of arrears on its debt payments. For sub-Saharan Africa, these are estimated to have jumped by 20 per cent last year, according to the World Bank's *World Debt Tables, 1992-93*. Already in 1991, only four African countries could claim to be current on payments of both interest and principal. Given this, the projected fall in the debt servicing burden — to 18.5 per cent of export earnings, from 19.8 per cent in 1991 — is less wholeheartedly good news.

"External debt is a millstone around the neck of Africa," UN Secretary-General Boutros Boutros-Ghali said in Geneva in December (see page 3). The continent's stock of debt rose to approximately \$288 bn last year, up from some \$281 bn the previous year. For sub-Saharan Africa, the Bank estimates 1992 debt at \$183.4 bn, up from \$178 bn the previous year. This is despite further debt cancellations by leading donors of more than \$3 bn in 1991, much of it for sub-Saharan Africa.

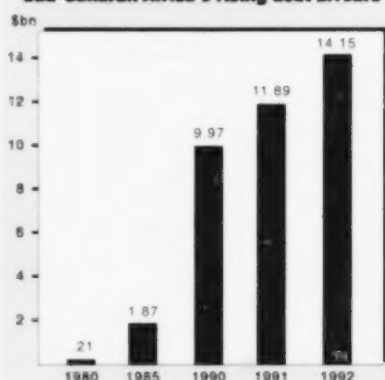
Economic Commission for Africa (ECA) Executive Secretary Layashi Yaker has called for a "global and urgent initiative" to tackle Africa's debt problem which he says remains unsolved. The World Bank also argues that even with full implementation of debt relief on official bilateral debt, servicing levels would remain unsustainable for a number of African countries.

Debt servicing continues to cripple many countries. At \$10.2 bn, actual debt servicing for sub-Saharan Africa was slightly down in

1992, from \$10.4 bn in 1991 and \$10.9 bn in 1990. For Africa as a whole, debt servicing was probably in the \$26-27 bn range, or slightly more, similar to the 1991 level of \$26.3 bn. This was equivalent to over 32 per cent of exports.

The Bank's 18.5 per cent debt service ratio for 1992 is a continuation of the steady downward trend for sub-Saharan Africa which started in 1989. The projected 5 per cent rise in export receipts upon which this is based, however, may not be borne out when the full picture emerges. The ECA, for example, is projecting a rise in export receipts last year of less than 2 per cent for Africa as a whole.

Sub-Saharan Africa's rising debt arrears



Arrears of interest on long-term debt only
Source: World Bank, *World Debt Tables, 1992-93*

The region's financial distress is seen in the ballooning of arrears on its debt payments.

For sub-Saharan Africa, falling debt servicing reflects both mounting arrears and increased debt relief. In 1992, arrears on interest alone is projected at \$14.1 bn, up from \$11.9 bn in 1991 and \$10 bn in 1990 (see graph). Arrears on principal was an estimated \$17.9 bn in 1991.

Deeper debt relief

Gains from debt relief are harder to quantify. While significant for individual countries, only a relatively small amount of Africa's total debt has so far been affected. In 1992, nine African countries secured the "enhanced Toronto" debt relief now on offer from most Western creditors. Through either cancellation or reduced interest charges this effectively halves debt payments due over a given period. This, however, is significantly less than the two-thirds' cancellation of the entire stock of eligible debt in the "Trinidad terms" as proposed by the United Kingdom in 1990, or the 80 per cent cancellation urged by the Organization of African Unity (OAU).

In its latest *Debt Tables*, the Bank shows that even with cancellation of development debt and the full implementation of Trinidad terms, debt-to-export ratios remain "unsustainable" for a number of African countries, with Guinea-Bissau, Somalia and Sudan the worst off.

The Bank's conclusion that reductions to more sustainable levels look increasingly difficult within existing official schemes mirrors views strongly voiced in the UN and elsewhere. While there are hopes that the new US administration would adopt a more positive approach to the issue of debt relief — the administration of former President George Bush had refused to implement even the "enhanced Toronto" terms — speedy action is not expected.

For many analysts, however, multilateral debt is now becoming a significant factor in the debt problem of at least sub-Saharan Africa. "It's the next big issue," according to Georgetown University Professor Carol Lancaster. Excluding Nigeria, this category of debt accounted for some 45 per cent of sub-Saharan debt servicing in 1991 (see box on facing page). Mr. Boutros-Ghali has linked Africa's debt burden

directly to the shortage of financial flows into the region. The debt burden, by tagging countries as "bad debtors," acts as a major disincentive to foreign private investment, he argued in Geneva.

In its analysis of financial flows to developing countries in the *Debt Tables*, the World Bank observes that while still enjoying positive net flows, Africa has missed out on the recent surge of the last two years. The vast majority of this increase has been in the form of foreign investment. Africa is conspicuous by its absence from Bank analysis on portfolio investment flows. And direct investment flows continue to fluctuate, dipping back down in 1992 from their 1991 high of \$1.7 bn, when just two countries — Angola and Nigeria — accounted for 80 per cent of total inflows.

Africa is dependent more than any other region on official flows. The Bank, UN and the Organization for Economic Cooperation and Development (OECD) all agree that such flows will remain the most sluggish, if not falling in some instances. The latest *Develop-*

ment Cooperation report from the OECD's Development Assistance Committee (DAC) warns that the trend in official development assistance (ODA) is "especially worrisome," and that there is "now a real risk" that the already low ratio of ODA to OECD gross national product — 0.33 per cent — may decline. While aid rose 3.3 per cent in real terms in 1991, the annual trend over the last five years is less than 2 per cent, well below the 6 per cent target set by the UN's New Agenda for the Development of Africa in the 1990s. DAC Chairman Alexander Love has also voiced his concern that there is a significant absorption of aid for emergency needs, such as in Somalia, a trend which could increase.

IDA replenishment

The December agreement on the tenth replenishment of the World Bank's soft-arm affiliate, the International Development Association (IDA), at \$18 bn has appeased fears that African countries could face an immediate aid crunch. Although well down on original ambitions and without the \$5 bn earth supplement proposed by Bank President Lewis Preston last June, "to get \$18 bn out of donors at this time was quite remarkable," one Bank official told *Africa Recovery*. With repayment of previous IDA funds included, the Bank calculates that some \$22 bn will be available over the three-year life of the present fund — some 45-50 per cent of it again informally earmarked for Africa. IDA, however, will have several new members sharing the new funds. And countries which are also eligible to borrow from the Bank's non-concessional arm could face a squeeze on resources.

The IDA replenishment confirms that funding can still be found for facilities and countries that meet donor approval. Recent donor pledges for Ethiopia, Mozambique and Zimbabwe of some \$3.5 bn have fully funded 1993/94 programmes.

But the IDA negotiations themselves were tough, with donors such as Australia, Canada and the UK cutting back on their share. The problems the International Fund for Agricultural Development is facing in getting

Multilateral debt: part of the problem

"Multilateral lending, based on the lending plans of the international financial institutions, is expected to grow fast," the latest DAC report observes. But, it goes on to say, "expansion in net terms will be limited, owing to expected repayments." With African countries — particularly the low-income — increasingly dependent on bodies like the IMF and World Bank for finance, their repayments are becoming an increasing part of the continent's debt problem.

In 1980, the multilaterals accounted for 14 per cent of Africa's debt. Today it is closer to 25 per cent. Multilateral debts cannot be rescheduled and, as preferred creditors, the Bank and Fund tend to get paid back first. This has meant that multilaterals loom large in Africa's debt servicing bill — despite the concessional nature of some facilities, such as IDA. In 1991, the multilaterals' share of Africa's debt servicing was 25 per cent, but for sub-Saharan Africa, more highly dependent on official flows, it was 36 per cent.

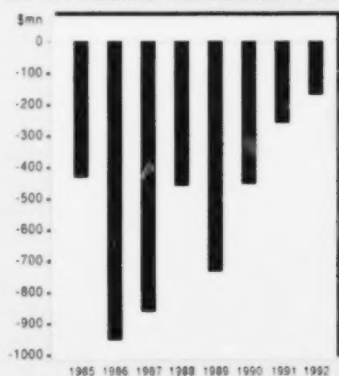
Sixteen African countries owe 50 per cent or more of their foreign debt to multilaterals, and another eight, 40 per cent or more. A number of these countries, such as Botswana and Lesotho, face little or no debt repayment problems. For others, such as Chad and Togo, multilateral debt service, while more than half of total payments, is still relatively light.

But for a number of African countries, multilateral debt servicing is now both a large and burdensome part of their debt obligations. In 1991, payments to multilaterals were equivalent to over 36 per cent of export earnings for Uganda and Zambia. They were over 10 per cent of export earnings for another eight countries, including Côte d'Ivoire (14 per cent), Ghana (17 per cent), Kenya (13 per cent) and Madagascar (17.6 per cent). For some, such as Burundi, Malawi, Niger and Rwanda, multilateral payments are scheduled to take a rising share of debt obligations this year, even excluding the IMF, which is included in the above figures.

For sub-Saharan Africa, new concessional facilities in the IMF and the sharp reduction in the countries borrowing from the relatively expensive main arms of the World Bank and African Development Bank, should ease future reflows. Net transfers with the IMF are still negative, but improving on the \$900 mn a year outflow registered in 1986/87. Net transfers from sub-Saharan Africa to the IMF in 1992 were an estimated \$170 mn, down from \$261 mn in 1991 and \$455 mn in 1990. For Africa as a whole, transfers, while negative, have fluctuated sharply, depending on Fund activity in the larger economies of North Africa.

For the Bank, net transfers are positive for sub-Saharan Africa, though sharply down on net disbursements — \$783 mn against \$1.64 bn respectively in the Bank's last fiscal year. With the so-called 'fifth dimension' arrangement, the Bank is helping to meet the current interest payment obligations on main Bank debt of IDA members. In 1992, funding of some \$150 mn helped to meet 90 per cent of the interest due from eligible countries, according to the Bank's *World Debt Tables*. Funding for the scheme comes from repayments of previous IDA credits, which themselves could become a heavy burden for some borrowers.

IMF net transfers: sub-Saharan Africa



Source: World Bank, *World Debt Tables*, 1992/93

renewed funding confirms the tightening of aid budgets in Arab as well as Western countries (see page 32).

The substantial jump in the US' proposed contribution to IDA is a legacy from the Bush administration that the new government of President Bill Clinton must now try to push through Congress. Bank officials and Washington-based analysts confirm that the IDA vote will face a tough battle.

UN agencies have called for more of present aid flows to be devoted to the poorer countries and more towards social and other priorities. The guidelines for IDA-10 reflect some of these concerns. They specify that the

shares of social sector and poverty-targeted investments be "steadily increased" during its lifetime. The guidelines include specific poverty reduction measures in the design of adjustment programmes "whenever feasible." Environmental and sustainable development issues will also be a significant focus of IDA-10.

With Mr. Preston adding that donors "expect" countries to reduce "non-development" expenditures, such as the military, to the "maximum extent feasible," IDA-10 also confirms the direction that new conditionality on aid is likely to take. As the DAC report warns, "developing countries...will find their comparative performance to be an increasingly important factor in aid allocation decisions." It is the blend in that performance between market-oriented economic policies and more specific poverty-focused programmes that has still to be made clear. ■

New consensus to save Africa's children

National programmes of action increasingly at the centre of aid deliberations

By Richard Leonard

With African children facing increasingly severe crises, a new international drive is being launched to put mothers and children at the centre of African development strategies. The Consensus of Dakar was reached at the International Con-

ference on Assistance to African Children organized by the Organization of African Unity (OAU) with support from the UN Children's Fund (UNICEF), held 25-27 November 1992 in Senegal's capital. African countries and donors agreed on restructuring national budgets and international assistance to make children "priority one."

"Unless a sustained financial effort is made, it will be impossible to make any lasting improvement in the living conditions of millions of African children who live and die in the direst of straits," UN Secretary-General Boutros Boutros-Ghali stated in his message to the conference. African children are in greater risk and distress than those of any other continent. One-third of the almost 13 million children who die worldwide every year are African, although they make up little more

than 10 per cent of the world's child population. The conference brought together representatives of 44 African countries — including 13 ministers of finance, as well as health and other ministers — with those from donor countries and international agencies. Non-governmental organizations (NGOs), vital for so much of assistance work with children, also participated in the donor-government discussions. The conference set out plans for urgent action to help Africa's children, focusing on

commitment of the international community." He urged that peace dividends from the end of the Cold War be channelled towards assisting African social development programmes, with a priority for children and women.

At the international level, donor countries and international financial institutions promised "to make every effort to expand official development assistance (ODA) and promote debt cancellation or relief for African countries, especially in support of African ac-

tions directed at child survival, protection and development." They also made a commitment to increase and sustain the share of ODA commitment to child-related social priority sectors by 1995, "bearing in mind" the 20 per cent share of total ODA for these sectors recommended by the UN Development Programme (UNDP).

NPAs are now expected to form a central part of African submissions to prospective donors in such fora as World Bank Consultative Groups and UNDP Round Tables. Several countries, such as Burundi and Uganda, are already using their NPAs as a basis for compacts with donors, UNICEF's Deputy Executive Director Richard Jolly observes. More than 40 countries have or are in the process of preparing NPAs. "Countries are beginning to apply their national programmes at the district level, which is vital for achieving the goals," Mr. Jolly argues.

Redefining conditionality

The Consensus of Dakar reflects an effort to build a new set of operational priorities for allocating aid and government expenditure. In doing so, it is overtly attempting to recast the conditions upon which aid is given. Speaking at the Conference, Zimbabwe President Robert Mugabe urged that aid for children be "delinked from the general demand for good governance and democracy." UNICEF has also appealed to the World Bank and the International Monetary Fund (IMF) to remove or soften cost-recovery requirements in their structural adjustment programmes to allow governments to subsidize aid to children.



Participants join hands at the closing ceremony of the 25-27 November International Conference on Assistance to African Children, held in Dakar.

"Unless a sustained financial effort is made, it will be impossible to make any lasting improvement in the living conditions of millions of African children who live and die in the direst of straits."

Boutros Boutros-Ghali

the goals agreed at the 1990 World Summit for Children and based on National Programmes of Action (NPAs). These commit African governments to "priority action to meet the needs of children and women," with low-cost intermediate goals for 1995 and broader goals for 2000 (see facing page). Included is the need for urgent action to help African children "in difficult circumstances": the millions in areas of conflict, refugees, victims of AIDS, the handicapped, and those suffering abuse and neglect.

Although African countries are assuming primary responsibility for tackling the issue of children, OAU Secretary-General Salim Ahmed Salim stressed that "Africa is not an island unto itself," and solutions to the problems of African children "will require fundamental changes and renewed

Some elements of the new priorities are reflected in the strengthened guidelines on poverty-focused lending in the latest replenishment of the Bank's International Development Association (IDA). Bank President Lewis Preston has said that the share of social sector and poverty-targeted lending by IDA will be increased, including support for family planning, social services for women and education for girls (see page 5). During the meeting, UNICEF signed an agreement with the African Development Bank to jointly develop new programmes, using NPAs, which should ensure additional resources for children.

Meeting the costs

To implement the intermediate targets agreed on in the Consensus for 1995 and the broader goals for 2000, UNICEF's Executive Director James Grant reported that Africa will need \$8.8 bn per year above current spending levels in social sectors: health, education, nutrition, water supply and sanitation. Another \$3.8 bn is needed annually for recovery from wars and natural disasters, and for alleviation of poverty and environmental preservation.

He called on African countries to raise half the new social sector funds — \$4.4 bn — through budget restructuring and other local efforts, and external sources to provide the other half. Mr. Grant noted, however, that less than \$2 bn of the \$18 bn, or 11 per cent, Africa is receiving in ODA now goes to social priorities. "What the industrialized world spends on the military every three days" would cover the \$4.4 bn needed in these external funds, said Mr. Grant.

To help meet the additional financial resources needed, President Mugabe also called for easing Africa's foreign debt burden. A key step would be cancellation of "a larger portion" of each country's debt, taking into account their budget allocations for child welfare, he argued.

Mr. Grant emphasized that the current crises should not obscure Africa's record in improving conditions for children. "Since independence, Africa has cut its child mortality by more than one-third, extended life expectancy by an average of 11 years, and significantly increased access to primary education, safe water and health care," he said. African immunization levels for 1 and 2 year-olds are comparable or higher than in the United States, and the continent has taken the lead in promoting the Convention on the Rights of the Child.

The Consensus of Dakar

African countries committed to:

- Focusing National Programmes of Action to meet priority needs of women and children, including establishing National Compacts for Children.
- Priority action to meet intermediate goals for 1995 (see goals and targets below).
- Priority action for children in difficult circumstances.
- Increasing resources to meet the special needs of girls and women, including ending gender discrimination and bias.
- Restructuring government budgets to favour basic needs of women and children.
- Reorienting social sector budgets to meet children's priorities and/or shifting spending away from military, security, and other non-productive sectors.
- Use of tax reform and encouragement of community action and contributions to mobilize additional resources for children.
- Developing supportive actions by African institutions at the regional and continental level.

Goals and targets for 1995:

- Ensure 90 per cent measles and tetanus immunization.
- Raise immunization against diphtheria, pertussis, polio, tetanus, and TB from 75 per cent to 80 percent.
- Achieve 80 per cent access to oral rehydration therapy.
- Provide universal access to iodized salt.
- Virtually eliminate vitamin A deficiency
- Encourage exclusive breastfeeding for four to six months, sustained up to two years and beyond with complementary foods.
- Reduce the primary education gap between girls and boys by half.

International partners committed to:

- Make every effort to expand development assistance and promote debt cancellation or relief in support of African actions for children.
- Encourage international financial institutions to give greater support for African development, particularly for priority human needs.
- Explore commitment of resources for African National Programmes of Action for health, nutrition, basic education, water, and sanitation.
- Increase and sustain assistance to social priority sectors by 1995 in line with commitments by African countries, bearing in mind the goal of 20 per cent of assistance for these sectors.
- Take into account human indicators in the allocation of resources at bilateral and multilateral negotiations.
- Actively consider debt relief for children, including debt swaps for investment in social development.
- Increase support for child-oriented research, technology and adaptation programmes.
- Support catalytic areas of social sector development.

Goals and targets for 2000:

- Ensure universal access to primary education and its achievement by 80 per cent of children, with special attention to girls' enrollment.
- Reduce severe malnutrition by half and achieve household food security.
- Achieve universal access to clean water and safe excreta disposal in all communities.
- Reduce infant and under-5 mortality by one-third.
- Reduce maternal mortality by half.
- Reduce the number and suffering of children in difficult circumstances.
- Ratification by all African countries of the Convention on the Rights of the Child.

African efforts to shift domestic spending priorities are already under way. Mr. Grant cited plans by Benin, Namibia, Tanzania, Zimbabwe, and Ethiopia to reallocate military spending to social needs. Joining these countries in budget restructuring efforts towards increasing allocations for social priorities from the current average level of 11 per cent to 20 per cent are: Egypt, Ethiopia,

Ghana, Guinea, Niger, Nigeria, Senegal, Sudan, Swaziland, Tunisia and Zambia.

African participants recognized that many causes of the children's crisis — including war and civil conflict, drought, and misallocation of budget resources — are home-grown. However, they underscored long-standing complaints that resources have been drained from social development by the global recession, un-

fair terms of trade, the burden of debt, structural adjustment programmes required by international financial donors, and demands by some donor countries that assistance be conditioned on political changes. Hopefully the Consensus of Dakar will mark a determined effort to remove or ease many of these obstacles to giving greater priority to Africa's children. ■

Mixed progress on African health

Community-based strategies are increasingly important in taking advantage of the new technologies and falling costs of preventive health measures, says UNICEF in its 1993 *State of the World's Children*. This combination has led to the annual cost of providing clean water in Africa being halved to around \$20 per person since the mid-1980s, with recent

system launched in 1987 as the Bamako Initiative. Some 2,000 government health centres — covering roughly 20 million people — have been revitalized in a system that ensures that adequately trained health workers dispense low-cost generic drugs at a profit. Revenues are community-managed, a system that has proved competent both in the handling of the funds and in the distribution of essential drugs, said an evaluation in 1992 by the London School of Hygiene and Tropical Medicine. It found that half the revenue was spent on maintaining drug supplies, a quarter on running the centres and providing incentives for the health workers, and the remainder retained as savings.

Another study found benefits for even the poorest 20 per cent in Cameroon who had previously been unable to afford private druggists' prices. The School recommended that UNICEF and other agencies should continue supporting African countries' efforts to implement the Bamako Initiative, and called for substantial investment in a process that aims to cover the estimated 40,000 government health facilities in sub-Saharan Africa.

Political commitment

Calling for sustained political commitment to preventive measures, UNICEF reports success in the decade-long campaign with the World Health Organization for 80 per cent immunization against childhood diseases, with dramatically increased coverage in such low-income countries as Equatorial Guinea, Sudan and Zambia. However, Africa showed the steepest slippage after the campaign ended, with immunization levels falling by some 10 per cent in 1991, mainly in Cameroon, Central African Republic, Ethiopia, Ghana, Mozambique, Nigeria and Sierra Leone. In contrast, UNICEF pointed to sustained high levels of immunization coverage and dramatic declines in diseases in Botswana, Burundi, Cape Verde, Gambia, Namibia and Rwanda.

Illustrating Africa's very uneven progress, UNICEF reports that hopes of eradicating polio worldwide by 2000 are slimmer in a continent where anti-polio vaccine coverage is under 50 per cent in 14 countries. On the other hand a number of countries that have already begun serious work on halving malnutrition rates, and other countries are making notable progress towards another goal of the Children's Summit — water and sanitation for all. ■



Children in distress

Women and children have become the main victims in the growing number of African countries caught up in wars and civil strife. They are often the innocent victims "caught in [the] crossfire," OAU Secretary-General Salim Salim told the Dakar conference. They form the majority of the continent's 18 million refugees and displaced people.

Millions more are the victims of social and economic dislocation, creating a vast army of "street children," many orphaned or disabled. Yet more are the victims of AIDS — either directly, or because their parents are casualties of Africa's mounting pandemic.

The Consensus of Dakar calls for urgent humanitarian action for children in difficult circumstances, including protection during conflicts. It underlines the ban on child conscription in the International Convention on the Rights of the Child and its call for priority action includes greater community support, strengthening the legal framework for child rights and the elimination of child labour.

tests also suggesting that the incidence of malnutrition could be halved for under \$10 per child per year.

Faster demilitarization

Such cost-effectiveness is vital in a period that has seen stagnant aid flows that are inequitably distributed. UNICEF argues that "nations that account for two-thirds of the world's poor receive only one-quarter of the world's aid," and that the richest 40 per cent of people in developing countries receive twice as much aid as the poorest 40 per cent. As part of its call for the more rational use of scarce resources, UNICEF urges faster demilitarization worldwide. In its report UNICEF notes that the demobilization of 500,000 Ethiopian soldiers in 1992 has helped cut the share of defence spending from 60 to 30 per cent of total expenditure, while spending on health and education has risen from 12 per cent in 1989/90 to 20 per cent in 1992/93.

The report highlights the encouraging successes of the community-managed health care

UN action on Africa's desertification

Action on desertification — Africa's primary concern at last year's UN Conference on Environment and Development (UNCED) — is under way. Following preliminary meetings in New York in January, the committee charged with drafting a convention to combat desertification will hold its first substantive meeting in Nairobi from 24 May to 3 June. Restructuring of the Global Environmental Facility (GEF) — a key conduit for new funding on environment and which African countries want to see broadened to include desertification issues — also started at a December meeting in Abidjan.

The actions are part of a comprehensive UN programme to ensure prompt implementation of the agreements reached at UNCED in Rio de Janeiro last June. At the centre of this effort is the establishment of a high-level Commission on Sustainable Development (CSD), which was finally agreed by the General Assembly in December after weeks of negotiations. The Commission will guide implementation of the Earth Summit's Agenda 21, the 800-page blueprint for global environmental action into the next century.

The CSD is part of the drive to put sustainable development at the heart of the UN's economic and development activities. "Agenda 21 itself offers a framework for coordinating the development activities of the whole United Nations system and for mobilizing organizations outside it," UN Secretary-General Boutros Boutros-Ghali told the General Assembly.

The CSD will have representatives, primarily at ministerial level, from 53 states. Secretariat support for the CSD will be provided by the new Department for Policy Coordination and Sustainable Development. An Inter-Agency Committee on Sustainable Development has also been established to coordinate implementation of Agenda 21 among UN agencies. And the General Assembly has created a high-level board to advise the Secretary-General and the CSD on implementation of Agenda 21.

* The Committee's full name is: The Intergovernmental Negotiating Committee for the Elaboration of an International Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa.



The newly established committee on desertification* — chaired by Sweden's Bo Kjellen — has until June 1994 to draw up a draft convention to combat desertification. In Nairobi in May it will start discussing strategies to promote sustainable development in countries affected by desertification and serious drought.

The GEF is envisaged as a primary agency for funding programmes from Agenda 21, including desertification, as well as from the

Climate Change and Biodiversity conventions. But at Rio, African and other developing countries made clear that the present facility would have to be substantially restructured and enlarged if it was to be an equitable and universal medium for action on sustainable development. The present \$1.3 bn facility, set up in 1990 in a three-year pilot phase, is jointly managed by the UN Development

Programme (UNDP), the UN Environmental Programme (UNEP) and the World Bank. It currently has about 100 projects, totalling \$700 mn, with 20 per cent of these in Africa.

The initial absence of desertification from the GEF, on the grounds that it was not a global problem, was a key area of African concern over the facility, along with its restricted membership and high fees. At the 3-5 December meeting in Abidjan all these concerns were addressed. Chairman Mohamed El-Ashry, in his report, observed that the GEF "would clearly be ready" to work with parties to any desertification convention "to see how

An Ethiopian boy returns with firewood. Implementing a sustainable development strategy is essential for the preservation of Africa's fragile eco-system.

the GEF might assist them to achieve global environmental benefits." He noted that the GEF has already begun to include land degradation under its mandate, with two such projects approved for Africa and a workshop held in Nairobi last November to develop criteria and guidelines on the problem.

Changes in the GEF

In Abidjan, there was a consensus that with the move towards universal membership there should be no fee to join the GEF, though Mr. El-Ashry pointed out there was concern to ensure administrative expenses were covered. There was also agreement that decisions should be reached as much as possible by consensus. But various proposals are now being studied on weighted voting procedures, which would strike a balance between donor and recipient country interests. Discussions on this issue are to be resumed in early March. Implementation of changes to GEF — to be completed by end-1993 — is to begin in May, when the participants meet again in Beijing.

Discussions are also due on increasing GEF funding by some two to three times the present \$1.3 bn. This has become especially vital given the absence of an "earth supplement" in the World Bank's International

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Mozambique accords aid relief effort

UN preparing major new operation to facilitate peace process and elections

By Ernest Harsch

The suspension of large-scale fighting in Mozambique and the initiation of a UN-supervised peace process is now making it possible for food convoys to reach previously inaccessible areas of that famine-stricken country. Humanitarian

refugees may soon return home, with few support mechanisms yet in place to receive them. And more than 100,000 troops, on both the government and insurgent sides, are to be demobilized and eventually disarmed, a delicate task after so many years of war and civil strife and amidst a social and economic crisis that has bred widespread banditry. The breakdown of a similar peace agreement in Angola and the renewed eruption of large-scale fight-

trying to secure the funds needed for ONUMOZ, is continuing to appeal for emergency relief aid. The World Bank sponsored a donors conference in Rome on 9-10 December, which raised \$760 mn in pledges, largely to support Mozambique's economic reform and recovery programme. And another conference in Rome the following week, convened by the Italian government, heard an appeal for some \$400 mn to support the electoral process and the resettlement of displaced civilians and demobilized soldiers.

A major concern is to avert a resumption of war, as happened in Angola. There, fewer than 300 UN personnel were in place to monitor the ceasefire, and the demobilization of combatants was still far from complete when national elections were held in late September. Civil war quickly resumed when the insurgent forces of Unita refused to accept the election results. "In the light of recent experience in Angola," the UN Secretary-General told

the Security Council in his early December report on Mozambique, "I believe it to be of critical importance that the elections should not take place until the military aspects of the agreement have been fully implemented."

Cease-fire holding

In an effort to get the demobilization process and other aspects of the peace agreement into gear, the Secretary-General's Special Representative for Mozambique, Mr. Aldo Ajello, has met repeatedly with both President Chissano and Renamo leader Afonso Dhlakama. Mr. Ajello noted in late January that despite some violations, the cease-fire is "holding very well."

Because of the devastation of war, in combination with last year's drought — the worst to have hit Southern Africa since early in this century — the level of human suffering in Mozambique had reached massive proportions, with deaths from starvation being reported from at least four of the 10 provinces. Between 3 and 4 million Mozambicans have been displaced from their homes to elsewhere



UN aircraft delivers emergency relief in an operation which is helping to avert more widespread starvation in Mozambique.

aid operations in Mozambique were already extensive, but since the signing of a peace agreement in Rome on 4 October between the government and Renamo insurgent forces, more than a quarter of a million more people are getting relief aid provided by the UN and the International Committee of the Red Cross (ICRC).

After 14 years of a devastating civil war, the accords have brought some hope that the country can at last begin the arduous tasks of reconstruction. Mozambique President Joaquim Chissano sounded a cautious note of optimism in his New Year's address to the nation, stating that the agreement with Renamo would facilitate freedom of movement throughout the country, so that "humanitarian assistance can reach the needy," and created prospects for peace.

Yet the difficulties are enormous and the situation remains uncertain. Between 5 and 6 million of Mozambique's nearly 16 million people are in desperate need of food, medicine and other assistance, in a large country with poor logistics. Hundreds of thousands of

ing there underlines how fragile such an undertaking can be.

The United Nations — already overstretched by many other peacekeeping operations around the world — was asked at the Rome conference to take on the major responsibility for overseeing the Mozambican peace process and coordinating the provision of humanitarian aid. At the recommendation of UN Secretary-General Boutros Boutros-Ghali, the Security Council on 16 December established the UN Operation in Mozambique (ONUMOZ). With an authorized military strength of up to 7-8,000 troops, ONUMOZ is projected to cost about \$260 mn through the end of October 1993.

Under the peace accords, ONUMOZ would combine humanitarian operations, the protection of relief supplies, the disarmament and demobilization of armed groups, and preparations for national elections.

In financing the various aspects of the peace and recovery process, an informal division of labour has emerged within the international community. The UN, besides

in the country. Unable to farm, most are dependent on the direct distribution of relief aid. Nearly 2 million more Mozambicans have sought refuge in neighbouring countries, more than half of them in Malawi.

International relief aid has been pouring into Mozambique for several years already, saving many thousands of lives. Timely appeals by the Mozambican government, UN and relief agencies, combined with a generous response from donors, succeeded in averting a descent into complete social and political breakdown, as occurred in Somalia.

Extending the reach of aid

Nevertheless, the aid has sometimes been slow in reaching the country, while the destruction of communications and transport links, the mining of roads and direct attacks on relief convoys made it virtually impossible to distribute food to major areas. As the 1992 drought hit, reports of death rates climbed alarmingly, especially in regions under Renamo control. The urgency of extending aid to the entire country prompted one of the first major breakthroughs in the peace process: the July 1992 signing by the government and Renamo of a declaration of principles pledging the security of humanitarian activities.

With the coming into effect of the ceasefire in mid-October, it became possible to begin the de-mining of roads, although the process has been slow. In late January, for the first time in seven years, a convoy of the UN World Food Programme (WFP) was able to travel along a recently de-mined road from Beira to Inhanga in central Mozambique to

deliver tonnes of food to an area formerly controlled by Renamo.

Such an extension of food deliveries is a vital component of the peace process, asserts Mr. Mark Latham, the WFP's Director of Operations in Mozambique. "It is absolutely essential that food reaches all those in need if we want to ensure a smooth transition to democracy, free and fair elections and the reconstruction of a country ranked as the poorest in the world," he says.

Coordinating relief

To better coordinate the provision of relief aid — both among the various donors and with the other aspects of the ONUMOZ operation — a UN Office for the Coordination of Humanitarian Assistance (UNOHA) has been set up and will include representatives of donor agencies and non-governmental organizations.

In June 1992, as part of a joint appeal by the UN and the 10-member Southern African

Angola: war brings more hunger

The resumption of large-scale fighting in Angola not only marks a breakdown of the peace process in that country, but may also herald a return of widespread hunger. More than a million Angolans are caught in cities where fighting has prevented food from reaching markets, according to some estimates.

Despite an improvement in national food availability thanks to international aid and the return of favourable rains, the disruption of internal distribution has made it difficult to move food into deficit areas, with malnutrition rates already rising alarmingly in areas of the south. The UN's Food and Agriculture Organization notes that considerable agricultural land cannot be cultivated

because of uncleared mines and new population displacements caused by the fighting.

Peace talks between the Angolan government and Unita rebel forces, held in Addis Ababa in late January, have been inconclusive. The UN Security Council on 29 January decided to extend the mandate of the UN Angola Verification Mission (UNAVEM II) for an additional three months, until the end of April, although at reduced strength. The Council strongly condemned the violations of the Angolan peace accords, particularly Unita's rejection of the September 1992 election results, seizure of provincial capitals and resumption of hostilities.

Development Community (SADC), donors were asked to give \$249 mn in emergency aid to Mozambique by the end of this April. As of December, according to the UN's Department of Humanitarian Affairs, \$192 mn had been pledged, including 87 per cent of the 500,000 tonnes of food needed for direct distribution to those most dependent on relief assistance. However, an appeal for an additional 860,000 tonnes of food aid for sale through Mozambique's markets had secured pledges for only 320,000 tonnes, or 37 per cent of that amount.

At the World Bank-sponsored consultative group meeting, donors pledged \$140 mn toward emergency and commercial food aid for 1993, as part of a broader package of financial commitments.

The prospects for food production for the coming year are as yet uncertain. The resumption of rains has permitted land preparation and planting in all provinces, but severe

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Gaps in aid for Southern Africa

The return of rains to major parts of Southern Africa — after the worst drought since the beginning of the century — has done much to raise hopes in the region. Yet in Namibia, Botswana, Lesotho, Swaziland and parts of Angola and South Africa, however, severe dry conditions persist, bringing fears of poor crops. Even where the rains are adequate, many farmers lack sufficient seeds and tools to quickly restore production to pre-drought levels, and the rains themselves have brought new problems, including the devastating spread of water-borne diseases such as cholera and meningitis, which were previously rare in Southern Africa.

Although donors in general have been generous in providing aid, especially food, there have been major gaps in international assistance for such key sectors as health, water, agriculture and livestock — which are now proving crucial for recovery from the effects of the drought.

Urgent donor support in these areas is "desperately needed to prevent deprivation, suffering and environmental damage," state UN Under-Secretary-General for Humanitarian Affairs Jan Eliasson and Southern African Development Community (SADC) Executive Secretary Simba Makoni, in a review of the UN-SADC aid appeal for Southern Africa.

Of the \$858 mn in aid originally requested in June 1992 (to cover the period through April 1993), \$656 mn had been pledged as of December. This reflected pledges covering 82 per cent of the food aid needed for direct distribution, but only 41 per cent of the non-food emergency requirements. The original appeal, moreover, seriously underestimated these non-food needs, which escalated as the drought exacted a severe toll throughout the region.

The December review, which included revised appeal figures, estimated that the total non-food needs were now \$223 mn, some \$50 mn higher than in the initial appeal. Of this new amount, \$152 mn remains unpledged. Because of widespread disease and nutritional disorders, increased aid for the health and water sectors is needed especially urgently. The revised UN-SADC appeal is asking donors for \$21 mn for health and nutritional programmes (of which only \$4.6 mn has yet been pledged) and \$56.7 mn for the water sector (against current pledges of just \$11 mn). And for farmers to get the seeds, fertilizer, draught animals and tools they desperately need, a total of \$57.6 mn is required from donors, of which \$27.8 mn has not yet been pledged.

Building on fragile peace in Somalia

By Roy Laishley

In the once famine-stricken town of Baidoa in south-central Somalia, the daily death rate has fallen below 10. In the dark days of last September, famine deaths were running at well over 1,300 a week. The improvements in Baidoa and in much of the rest of Somalia are the result of a massive UN-led humanitarian operation, the repeated

interruption of which through violence precipitated the first-ever UN authorization for armed intervention for a strictly humanitarian cause. The arrival in December of a 30,000-plus international peacekeeping force led by the US, known as the Unified Task Force (UNITAF), by allowing relief supplies to be distributed, dramatically eased the famine in the country, according to a January report by the Department of Humanitarian Affairs (DHA), which has overall responsibility for coordinating relief operations.

Now attention has turned to creating the stable political environment which is essential to the task of rebuilding Somalia's shattered economy. On 15 March, Somalia's numerous political factions are scheduled to meet in Addis Ababa for a conference of national reconciliation, which will hopefully lead to some form of agreed interim government. Also under preparation is the UN's third Conference on Humanitarian Assistance for Somalia, which will consider a relief and rehabilitation programme for 1993, drawn up by the UN.

Preparations for these meetings are taking place against the background of UN-led efforts to ensure the maintenance of peace and security throughout the country. The difficulty of this task — and the fragility of the present relative calm in Somalia — has been repeatedly illustrated by outbreaks of fighting between

warring clan factions, despite a cease-fire agreed in January, and shootings of both UNITAF and relief personnel, which have led to a number of deaths.

Key to maintaining security is the successful transfer from the present US-led UNITAF to an enlarged UN Operation in Somalia — UNOSOM II — with the mandate and capacity to maintain peace in a highly volatile security situation. This is presently a "major preoccupation," UN Secretary-General Boutros Boutros-Ghali said in his January report. The UN has never fielded such peace-making troops, with authority to use force if necessary, and its size, composition and mandate are now being debated, along with the timing of the takeover. The UN hopes to use elements of the present contingents in Somalia. Apart from the US, over 20 countries have made some 10,000 troops available to UNITAF. Many of these countries, as well as the US, have indicated that they are prepared to transfer some units to UNOSOM II. The strengthening of UNOSOM has already started, with authorization for the deployment of 250 Pakistani soldiers in addition to the 500-plus troops sent in October to form the original UNOSOM force. UNOSOM's precise task and areas of deployment are also issues under discussion. In the peace accord reached by 14 Somali factions following a 4-15 January UN-initiated meeting, UNITAF/UNOSOM forces have been given a crucial role in monitoring the cease-fire and in the disarming and encampment of clan forces.

Mr. Boutros-Ghali has called particular attention to the situation in the north, where the Somali National Movement (SNM), which is not a signatory to the January accords, declared an independent Somaliland in May 1991. UNITAF forces are not operating in this

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Photo: New Times/John McDougall

Somali farmers inspect their new crop. Agricultural sector recovery is among the country's priorities

Africa's conflicts

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gola, Sudan, Liberia, Zaire and Rwanda and possibly threatening neighbouring countries.

Africa's inability to defuse such crises is leading to a greater dependence on the outside world and undermining its capacity to govern. Important aspects of policy-making are now ceded to outsiders and Africa's image as a continent in perpetual crisis is reinforced.

The fragility of Africa's governance, however, is also a product of the impoverishment of the continent over the last decade or more. Any sidelining of the development agenda now could plunge Africa into further impoverishment and exacerbate the breakdown of political and social order.

Emphasizing therefore the imperative of focusing on development, the Secretary-General told the December meeting of the High-Level Panel for NADAF of the need for the international community to act on issues such as debt, the worsening terms of

trade and poor or even negative capital flows (see page 3). "They make for a scandalous situation if one looks at it closely since, in the final analysis, it is the poor who are financing the rich," he said.

He added that progress could only come if Africa adopted a "fresh" and practical approach to economic renewal. This would require a focus on basic areas of human welfare, such as health and education; reducing the emphasis on exports; and speedily strengthening regional integration in order to make African economies more viable. ■

Bank reports on poor adjustment results

By Nii K. Bentsi-Enchill

Up to a decade of intensive structural adjustment has left low-income sub-Saharan African countries still "barely growing" in per capita terms, and at rates that are inadequate for rapid poverty reduction, the World Bank says candidly in a recent report on adjustment lending¹. Citing "the majority view in the international development community, including in the Bank," the authors of a smaller Working Paper² from the same Country Economics Department of the Bank add that adjustment has left "much to be desired in terms of restoring growth and social welfare to sub-Saharan Africa."

A "tough adjustment lending helped sub-Saharan export performance, the Working Paper says it has also led to a "significant drop in investment ratio," and had little effect on inflation and domestic savings. Differing in emphasis, the Bank's third report on adjustment lending (RAL-III) says both exports and savings responded weakly in African and other low-income countries, that total investment fell on average, and with few exceptions, private investment "remains generally at inadequate levels." Even relative successes such as Ghana and Kenya, where annual growth averaged some 5 per cent in the late 1980s, remain "fragile, with...risks of reversal."

Sub-Saharan countries are notably absent among the Bank's "star performers" of adjustment such as South Korea, Indonesia, Mexico and Morocco. And these inferior results for African and other low-income countries followed application of more, and often more stringent, adjustment measures than middle-income countries. The RAL-III document largely blames the lower levels of development in the sub-region, marked by inadequate human resources, institutions and infrastructure, as well as poor governance. The Bank points out that the much more successful middle-income adjusters withstood the same external shocks during the 1980s, while official resource flows were "much more favourable"

for low-income countries. It does acknowledge the budgetary constraint of external debt which, for intensive adjusters, rose from 3.2 per cent of GDP in 1980-85 to 4.5 per cent in 1986-90 (compared to 2 and 2.5 per cent for non-adjusting countries).

Structural adjustment programmes (SAPs) had an inadequate impact in sub-Saharan Africa partly because SAPs may have been "too ambitious and included too many conditions" to ensure sustainability, the Working Paper argues. Compared to other regions, there was also "below average" success in implementing SAP conditions in sub-Saharan Africa, resulting in damage to the credibility of the reforms and investor uncertainty.

Overtly paying attention to UN and other critics of structural adjustment (it cites Mr. Gerald Helleiner), the Working Paper says the inferior results of adjustment in sub-Saharan Africa "lend credence" to calls for economic reform programmes of which the conception and time-frame are explicitly adapted to the sub-region's economic structures.

Fiscal and monetary retrenchment remain vital for successful reform, but returning to

important themes of the Bank in 1989-90, the Working Paper stresses the need for "more public investment on infrastructure, human capital and agricultural technology," and recommends a "redefined but important role for governments" in African economic reforms.

Transitional costs

From the Bank's analysis, the greater the distortions in a country's economy at the outset of adjustment, the longer it takes for SAP to have a positive impact. Warning that this lengthy process can have "significant" transitional costs, the Bank also insists that poor outcomes are associated with poor implementation.

Low-income countries must, therefore, expect such transitional costs as long recession and substantial increases in poverty, compared to quicker and better results in middle-income countries. This basic distinction seems to cut across the RAL-III division of a sample of 77 developing countries into three categories: the intensive adjustment lending countries (IALCs), other adjustment lending countries (OALCs), and the non-adjustment

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SAPs hit social sector spending

Responding to charges by UNICEF and other critics that SAPs have led to cuts in social sector spending, particularly on health and education, the Bank says several intensively adjusting countries (Ghana and Kenya included) have increased total per capita spending in the social sector. However, the Bank's third report on adjustment lending (RAL-III) concedes that total social sector spending was often maintained at the cost of "excessive cuts" in related operations and maintenance spending, resulting in "schools without teaching materials, health clinics without drugs and supplies."

The Bank admits that adjustment lending has seldom pushed for improved delivery of basic social services. Instead, important imbalances within sectors have persisted or worsened, with few cases of successful reallocation of social spending in favour of primary education and health. The Bank recommends primary health care, and primary and secondary education as cost-effective ways of increasing the productivity and welfare of the poor.

Higher spending can also mask diminishing social returns, the Bank reports. Rapid increases in recurrent education spending in both Côte d'Ivoire and Kenya have reflected rising staff costs while enrolment stagnated. The effects of falling spending for operations and maintenance include dilapidated and often unsanitary infrastructure and a lack of drugs and teaching materials, "leading to serious deterioration in the efficiency of personnel and the quality of basic social services."

Poverty reduction and general social sector concerns were "largely absent" from SAPs until around 1987, concedes the Bank. Since then, it has supported special social funds and action programmes which help "enhance the political sustainability" of SAPs. However, it adds, such programmes "should not be a substitute for more fundamental restructuring of social sector spending to increase efficiency and reduce poverty," as they aim to soften the blows of adjustment on vulnerable categories only in the short-term.

The RAL-III report also indicates that the 1980s saw an average overall decline of 25 per cent in spending on economic infrastructure — including transport and communications — in a sample of 11 intensive adjustment countries. This decline reflects the falling budget share of materials, supplies and maintenance, and deteriorating economic infrastructure in many countries, "most notably roads" which have been rehabilitated at substantial foreign currency cost, only to become impassable for lack of maintenance.

1. World Bank, Adjustment Lending and Mobilization of Private and Public Resources for Growth, September 1992.

2. World Bank Adjustment Lending and Economic Performance in Sub-Saharan Africa in the 1980s — A Comparison with Other Low-Income Countries; World Bank Working Paper WPS 1000, October 1992.

New push against malaria in Africa

One million die from the disease each year with staggering social and economic impact

By Ernest Harsch

Targeting one of the most prevalent killers in Africa — malaria — health ministers from around the world have called for a major new international drive to bring the disease under control. Malaria

health ministers and officials from 102 countries, including 47 African states, also approved a new "Global Malaria Control Strategy," which aims to strengthen local and national capabilities to combat the disease.

The global costs of malaria control are currently estimated at around \$2 bn a year, the bulk of which is borne by patients and governments in endemic countries. Some \$200 mn

said this was probably because donors feel no direct threat from malaria, which is confined to tropical countries, a factor that has in turn influenced the priorities of developing countries themselves through "donor-driven" disease-control programmes.

Despite earlier efforts to eradicate malaria, it has actually been spreading, including into areas that had previously been malaria-free. According to WHO estimates, some 275 million people in sub-Saharan Africa — out of a total population of 530 million — now carry the malaria parasite, which is transmitted through mosquito bites. Of the approximately 100 million new cases of malaria worldwide each year, some 90 per cent are in Africa, the bulk of them involving the most dangerous strain, *plasmodium falciparum*.

Children the main victims

"If you go into any health centre in almost any part of tropical Africa, almost 50 per cent of those seeking treatment have fever, due mostly to malaria," says Dr. Peter de Raadt, Director of WHO's Division of Control of Tropical Diseases. Malaria is "our leading public health enemy," Prof. W.L. Kilama, Director-General of the National Institute for Medical Research in Tanzania, told the Amsterdam conference.

Most of those who die from the disease are children under five years old. Malaria takes the lives of one in 20 children in tropical Africa, and accounts for 15-30 per cent of under-five mortalities. It is also highly dangerous for pregnant women and can damage foetuses. In countries where malaria is endemic, it is a major cause of aborted pregnancies and underweight births.

Malaria is the most common disease among young adults in Africa, and tends to strike during harvest time. In Malawi, an estimated six working days per person are lost each year due to malaria.

In the 1950s and 1960s it was widely believed that malaria could soon be eradicated. But, according to WHO, the strategies then adopted failed for a number of reasons: basic health services did not develop as quickly as expected, areas in which malaria had been eradicated could not be kept mosquito-free, mosquitoes became resistant to insecticides and the malaria parasites themselves developed resistance to the major antimalarial drugs.

Aspects of the development process itself — construction sites, irrigation projects, etc. —



WHO'S Lindsay

Bouts of malaria can prevent children attending school and interrupt their education.

is spreading on the continent, and some 1 million Africans — the vast bulk of them children — now die from it each year, amounting to nine-tenths of malaria fatalities worldwide.

Malaria "afflicts the poor and underprivileged most severely, sapping productivity and causing chronic ill-health. The social and economic impact is staggering," stated a World Declaration on the Control of Malaria, adopted at a 26-27 October conference in Amsterdam. Benin's Minister of Health Véronique Lawson told the meeting that an effective campaign against malaria could constitute a "motor force for socio-economic development."

The conference, called by the UN's World Health Organization (WHO) and attended by

will be needed from bilateral and multilateral assistance in order to improve malaria control programmes, WHO estimates.

Despite its seriousness, the threat posed by malaria has been overshadowed in recent years by the rapidly growing menace of acquired immune deficiency syndrome (AIDS). "More people are sick and dying from malaria than from AIDS — even though AIDS is potentially more devastating," notes Mr. Frank Hartvelt, a deputy director at the UN Development Programme (UNDP).

Noting that malaria is preventable, Malawi's Minister of Health Pitakuti Ntuba termed it a "moral outrage" that both the donor community and recipient countries had not previously accorded it a higher profile. He

Positive steps to combat AIDS

By Nii K. Bentsi-Enchill

created new environments in which mosquito populations could breed. In addition, rapid urbanization, as well as the population movements caused by war and drought, brought many people who had not yet developed immunities into contact with the disease.

Over the past decade health services have further deteriorated in many African countries as a result of economic crisis. Minister of Health Damasy Andriambao of Madagascar, where some 25,000 people died in a malaria epidemic in 1986-87, stressed that it was socio-economic factors that had undermined earlier efforts to combat malaria there.

Human right to health

Even when medicines and services are available, they are too expensive for many people. In Malawi, for example, the cost of bed-netting impregnated with insecticide is some \$30, or twice the average monthly rural income. Newer antimalarial drugs are more expensive than the older ones. "The availability of effective and affordable treatment should be considered a human right," argues Dr. Hiroshi Nakajima, Director-General of WHO.

The global strategy adopted at the Amsterdam conference aims to bolster national capabilities to provide early diagnosis and prompt treatment, plan sustainable preventive measures, contain or head-off epidemics and strengthen local capacities in basic and applied research. Rather than centralized control programmes, it urges flexible, cost-effective, sustainable programmes adapted to local conditions, with communities themselves playing a central role in their design and implementation.

Even before the conference a number of African countries, including Benin, Burundi, Chad, Malawi and Tanzania, have in recent years designed more concerted strategies against malaria. Tanzania, for example, adopted an initial malaria control programme in 1983 and has since expanded it, stressing preventive measures, research and prompt treatment. A national essential drug programme ensures that antimalarial medicines are accessible to all Tanzanians.

In an effort to compensate for the lack of interest by major pharmaceutical companies in developing new anti-malarial drugs, WHO, together with UNDP and the World Bank, is promoting malaria research through the Special Programme for Research and Training in Tropical Diseases (TDR). More than 5,000 scientists from 135 countries are part of TDR's network. ■

In an African continent that "already has the international image of disaster and hopelessness," the slogan "Living positively with AIDS" is a strong and necessary message for individuals and communities, argues Ms. Noerine Kaleeba. She brought this message of hope as an invited speaker at World AIDS Day at the UN in New York on 1 December, 1992, relating the efforts of The AIDS Support Organization (TASO) to prevent and control the spread of the disease in Uganda.

Ms. Kaleeba is a founding director of TASO, an organization established in late 1987 in response to personal experience — many of the 16 founding members had AIDS (including Ms. Kaleeba's late husband) or were HIV-positive — and developed with a deep commitment to overcoming limited resources, low public awareness, and shattered health services in a country emerging from 20 years of war. A 1988 survey recorded 1.5 million Ugandans with HIV and 35,000 with AIDS, a figure that could be multiplied by six, says Ms. Kaleeba.

While acknowledging the importance of malaria as an old and persistent scourge, she notes the still more alarming fact that AIDS has struck five times as many women as men in the crucial 15-25 year-old age group, with recorded HIV incidence among pre-natal mothers rising from 6 per cent in 1987 to 30 per cent in 1992. These figures, she told *Africa Recovery*, strengthen her belief that women must assert their right to say no to sex, and that "the power to control AIDS is within us."

Networks of care

TASO has managed to mobilize 15,000 families and build a network of educators, counselling centres and support systems that have helped AIDS victims live 8-10 years without anti-viral medication, and carry people through personal devastations to regain self-respect. TASO's counselling, day-care, vocational training and community education work has changed the attitudes of health workers and community leaders, and helped reduce the stigma of AIDS, which often threatens the basic supportive role of the

family unit. Ms. Kaleeba stresses the importance of individuals with HIV taking responsibility for protecting others, which itself feeds the mutual concern and caring about each other's lives. Such community support must also stretch to Uganda's estimated 100,000 orphans, as AIDS has overtaken war as the major cause and orphanages "produce troubled citizens."

She admits passing through the top-down approach, but noticed villagers focusing more on her city clothes and style than on the AIDS-prevention message. TASO is a facilitator, she says, working with grassroots training groups of locally selected and respected figures (healers, birth attendants, etc.) who spread the factual message of prevention and support in order to overcome myths and misperceptions.

The urgency of AIDS prevention and control has led TASO to stress abstinence, then monogamy and fidelity, and the targeted promotion of condom use (especially among single and HIV-positive people). Its main offices in Kampala, Masaka, Mbarara, Tororo, Mbale, Jinja and Entebbe offer counselling, especially to young people, and constantly face the problems of limited supplies and the mounting recurrent costs of condoms which make for less-than-optimum conditions for promoting their constant use: a worker may afford enough for the week, but what about the weekend?

Spreading the message

TASO, part of the African Council of AIDS Service Organizations, works closely with non-governmental organizations in Kenya, Tanzania, Zambia and Zimbabwe. Ms. Kaleeba has herself visited Ghana and Gambia, where she says people are some six years behind Uganda on AIDS issues. She makes a point of praising Ugandan government efforts towards AIDS prevention — she sits on Uganda's AIDS Control Commission — as well as support from external official and NGO donors. She also insists that "one big reason for the spread of AIDS is people not telling the truth." Individuals and communities must not wait, she says, before declaring that "we have a problem," and dealing with it positively and together. ■



Noerine Kaleeba

Botswana: new challenges to success



Botswana is Africa's star performer. During the 1980s it had the fastest economic growth rate in the world, despite six years of drought. Its debt is minimal and its foreign reserves massive. But now it must apply a formidable reputation for astute economic management to the twin problems of significantly slower growth and accelerating environmental problems.

By Roy Laisley

Botswana is facing difficult challenges as economic growth slows sharply and drought continues to threaten. Using the lessons successfully learnt from the 1981-86 drought, and with the financial and administrative resources carefully husbanded by one of the most successfully run economies in Africa, the government has ensured that food, water and other basic needs have quickly reached Botswana's extensive rural population.

But the latest drought has again demonstrated the vulnerability of the economic well-being of a large part of Botswana's 1.3 million population, many of whom, in a semi-arid country, are still

which has enjoyed annual economic growth over the last 11 years in excess of 10 per cent, this already suggested significant belt-tightening. Now, given the problems facing the diamond market, there are fears that even the Plan's rate of growth could be at risk. Though De Beers, through which Botswana markets its diamonds, raised prices in February, a 25 per cent production cutback remains in place. Predicting only 2 per cent growth in 1993 if the quota remains in place, Mr. Derek Hudson, a former deputy governor of the central bank, argues that "if Botswana wants to avoid the mistakes of other African countries, it must start adjusting now before it is too late."

"We may have to tighten our belts, introduce painful cost cutting measures, and ensure that the costs of greater austerity are equitably shared," President Sir Ketumile Masire warned in November. The government is already preparing to act, though officials say no one is yet pushing the panic button, with foreign reserves, at over \$2 bn, equivalent to two years of imports.

The government had already successfully handled a sharp downturn in the diamond market in 1981-82. Then, a combination of a salary and credit squeeze, devaluation and a mild cutback in spending, with some external borrowing, proved sufficient. The present downturn, however, promises to be both deeper and more protracted than 1981-82. The need for a cor-



Jwaneng mine. Already Botswana's largest source of diamonds, plans are going ahead for its expansion.

respondingly sharper cutback in spending has brought debate, common elsewhere in Africa, on how and where austerity measures should fall, with the novel twist of differing views on the extent to which accumulated reserves can be used to cushion adjustment. Recent pressure on living standards, as growth slows and inflation rises, has given a sharp political spin to these debates with the government facing a general election in 1994.

By any measure Botswana's economic record since independence in 1966 has been spectacular. Then one of the world's least-developed countries, it now enjoys a per capita income of \$2,500, the third highest in sub-Saharan Africa. While maintaining a fiscally conservative stance, rapidly growing export earnings have enabled the government to significantly expand social services such as education, health and housing. Penetrating into even the remotest rural areas, the strategy has enabled Botswana to transform the lives of the vast majority of its population (see box, page 18). This rapid expansion has been done largely without the need for heavy borrowing. With its stock of debt equivalent to only 15 per cent of gross national product, Botswana carries the lightest debt burden in Africa.

dependent on cattle for their livelihood. The country is also facing a more immediate threat as protracted global recession and rising political turmoil in many parts of the world affect the market for its key export, diamonds.

The latest National Development Plan has forecast 4.7 per cent average growth for the 1991-97 period, a rate most African countries would be only too happy to achieve. For Botswana,

Derek James in Gaborone contributed to this article.

Curbing cattle power

Botswana's economic transformation owes all to mining, firstly copper-nickel at the BCL mine at Selebi-Phikwe and then diamonds. Mining presently accounts for over 40 per cent of gross domestic product (GDP) and over 50 per cent of government revenues. But it accounts for less than 5 per cent of formal sector employment. Botswana, despite being overwhelmingly

In Botswana cattle are power, conferring not only wealth but social status as well. The national herd, which fluctuates between 2.3 and 3 million head, comfortably outnumbers Botswana's human population of some 1.34 million. Over 50 per cent of rural households own cattle, but more significantly, so do over 30 per cent of urban households.

The latest drought has hit cattle particularly hard. At least a quarter of a million head will be lost, Vice-President Festus Mogae told *Africa Recovery* in September. Others put losses as high as 1 million. Farmers forced to sell their cattle have pushed Botswana Meat Commission's (BMC) three abattoirs to capacity. Through-put in the first eight months of 1992 was 150,000 head, nearly equal to all of 1991.

But such distress-selling only worsens the already sharp inequality in cattle ownership, analysts point out. While commercial farmers account for less than 20 per cent of the national herd, they normally account for over 40 per cent of sales to BMC, the primary agency by which cattle are turned into cash. Sales and mortality rates are higher in the communal areas, Vice President Mogae points out, partly because there is much higher environmental degradation. Coming while many rural people were still trying to rebuild their herds after the devastation of the 1982-86 drought, the impact of the latest drought has been particularly great in these areas. The cattle industry faces a highly uncertain future. Two-thirds of sales are currently to the European Community, with another 14 per cent going to South Africa. The fine print in the final outcome of the Uruguay Round of international trade negotiations could dramatically affect Botswana's prospects for beef exports.

Even more fundamental is the precarious ecological basis for the industry, which recent droughts have highlighted. Existing policies, such as the Tribal Grazing Lands Programme, have been sharply criticized for accelerating land degradation by encouraging double-grazing of communal areas. Despite a much-praised new National Conservation Strategy, cattle areas continue to expand. A new cattle fence in the lush but fragile Okavango Delta region has renewed the ire of local and international conservationists, intensifying calls for curbs on the industry.

The pivotal role cattle play in traditional Botswana society is reflected in the country's politics. Most ministers are significant cattle-owners and the Botswana Democratic Party — in power since independence in 1965 — derives much of its support from the rural areas. Nevertheless, the National Plan has proposed significant reform of the cattle sector. It implies a much narrower band of cattle ownership, a radical shift which has profound cultural, social and political implications for Botswana, but one which is the only sustainable development strategy, many argue.

revenue, threatening not only the development of new ore bodies, but the mine itself, which since 1987 has been the second largest export earner.

Compounding the problems of the mining sector is the disappointing performance of the Sua Pan soda ash project. In 1991, its first full year of operation, production was only half that planned, and of that, only half was actually sold. There has been little improvement in 1992, Vice-President and Finance Minister Festus Mogae told *Africa Recovery*.

Manufacturing, and its dominant sub-sector, textiles, has also been badly hit, not least by a 73 per cent appreciation of Botswana's currency, the pula, against the Zimbabwe dollar in 1991. This significantly reduced the competitiveness of Botswanan goods in a market which accounts for two-thirds of manufactured exports. With recession also hitting other outlets, textile companies have been forced to lay off workers. Mr. M. Mbaakanyi, director of the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) estimates that up to 10,000 jobs have been lost across both the manufacturing and the construction sectors, where the boom of

Vice-President and Finance
and Development Planning
Minister Festus Mogae



MP

desert or semi-arid, remains predominantly cattle country (see box). Between them, cattle and mining account for over 90 per cent of Botswana's export earnings.

Throughout the 1980s, diversification has been a central tenet of government policy, largely centred on manufacturing. Despite spectacular growth, averaging over 10 per cent a year during the 1980s, manufacturing still accounts for less than 10 per cent of exports.

It has, however, been a significant factor in the expansion of formal sector employment. This has risen from under 100,000 jobs in 1980, to close to 223,000 in 1991, an expansion also fuelled by the rapid increase in government, the largest employer. At some point in the late 1980s, the rate of job creation overtook the number of new entrants to the labour market, economists argue, and started to eat into the backlog of un- and under-employed, though the extent of this is disputed.

Economic downturn

Continued rapid expansion of jobs is a major plank in the government's development strategy, but one now threatened by slower economic growth. In mining, not only diamonds are in trouble. With nickel prices currently at their lowest level in five years the position of the BCL mine is now "precarious," according to one government official. Always heavily burdened by accumulated debt, operating costs have now risen above

Botswana at a glance: 1991

Population	1.334 million
Population growth rate	3.5%
GDP per capita	\$2,583
Currency	Pula 2.02=US\$1
Gross domestic product	Pula 7bn (\$3.5bn)
of which: agriculture	5.2%
manufacturing	4%
Total external debt	\$543mn
Debt service ratio	3.4%
Life expectancy	60 years
Infant mortality rate	63 per 1,000 births
Adult literacy rate	74%

Source: World Bank, IMF, UNICEF, UNFPA, Bank of Botswana

the late-1980s has come to an end.

The recent drought has added to Botswana's problems, without it affecting the economy to the extent of neighbouring countries. In the best of years Botswana has to import the majority of its cereal requirements, but in 1992 it was virtually 100 per cent. Government officials say the drought has added another BP300 mn (\$140 mn) to budget spending as the government provides a mixture of food, cash-for-work and other inputs for over 90,000 rural people, and supplementary feeding programmes for all children under 5.

Given the dominance of mining the drought has had only a minimal impact on GDP. Diamond earnings in the first eight months of 1992 stood at \$1 bn, barely unchanged on the same period for 1991. Food import costs have risen, but with the downturn in the economy, overall import levels are well down, officials report. Revenues from the Southern African Customs Union (SACU), which lag by up to two years, are also expected to remain buoyant. Through August 1992, Botswana's already hefty foreign reserves — profits on which are the second largest foreign exchange earner after diamonds — were still climbing and in

*External Affairs Minister
Gaositwe Chiepe, one of many
women in senior positions
in Botswana.*



UN

late-November officials were still expecting a balance of payments surplus for 1992, with overall GDP expected to be a still respectable 4 per cent or more.

Cutting spending

Despite this relatively healthy picture, the government is now facing heavy pressure to introduce measures to cut demand and reduce the growth in government spending. This reflects fears over growth prospects in the short to medium term and the likelihood of government spending far outstripping its income.

With government revenues stagnant but expenditures well up, there is expected to be a deficit on the 1992/93 budget instead of the projected BP109 mn surplus. This could herald the period of continuous deficits originally forecast by the National Plan to begin with the 1991/92 budget. The Plan envisaged the deficits being funded by a drawdown in reserves. This, in turn,

was predicated on constant real prices in diamonds and copper/nickel, no more drought and non-traditional exports growing at over 9 per cent a year. All these assumptions now look suspect and the Plan warns, for example, that with a 5 per cent fall in the real price of diamonds Botswana's cash reserves could run out by 1995/96.

The first test of the government's response to the present economic downturn is on salaries. While real wages rose an average 4 per cent in 1990-91, they have fallen this year. Public sector salaries — which act as a marker for the economy as a whole — were increased by 10 per cent in the February 1992 budget. Inflation, however, has risen steadily, peaking at 17.7 per cent in June. At the time of the budget, the general secretary of the Botswana Manual Workers' Union, Mr. Didson Kelatlhegetswe, renewed calls for action to back demands for a 154 per cent salary increase, which had led to protracted strikes in the banking and other sectors in 1990-91.

Skillful investment in social progress

Botswana ranks among the top five African countries in most social indicators, including life expectancy, infant mortality, schooling and access to health facilities after a rapid expansion of social services. Botswana has skilfully invested its mineral wealth in human development, states the UN Development Programme (UNDP). Between 1970-90, Botswana registered the seventh-highest improvement world-wide in UNDP's Human Development Index, with only Mauritius and Tunisia doing better among African countries, according to the 1992 *Human Development Report*.

Primary school enrolment is well over 90 per cent, and in secondary school, well over 30 per cent, against less than 20 per cent elsewhere in Africa. And close to 90 per cent of the population has reasonable access to health facilities, UNICEF calculates, against an all-Africa average of some 64 per cent. Botswana also scores highest among African countries in family planning programmes, according to data published by the Global Coalition for Africa. The fertility rate has fallen to an average 4.5 children, the third lowest in sub-Saharan Africa.

In urban areas, spending has also taken the form of housing and special site-and-service schemes. Through such programmes as the Self-Help Housing Agency, the capital Gaborone, for example, has avoided large squatter areas, despite the city's population growing at more than 8 per cent a year.

Between them, health, education and housing accounted for an average 30 per cent of government expenditures between 1985-91 and were projected to take nearly 40 per cent of 1992 outlays. While most of this has been financed out of domestic revenues, Botswana has been helped by aid donors, impressed by its relatively efficient and stable public administration. At well over \$100 a head, Botswana is one of the largest per capita recipients of aid in the world.

One striking feature is the relative equality by gender in the take-up of educational opportunities. With many boys often absent from school herding cattle, girls form the clear majority in primary and many secondary school classes. Botswana ranks only second to

While there is strong public pressure to improve salary levels, at least for the lowest paid, and to maintain social services, there is an equally firm conviction among business leaders, economists and other commentators that spending must be curbed. A freeze on civil service recruitment and the end of a number of emoluments could be one result.

In its latest annual report the Bank of Botswana urged the government to "re-examine" policies, "curtailing programmes and expenditures which the country can no longer afford." The central bank has called for new and better revenue collection, but

argues that the burden of adjustment will have to fall mainly on expenditure.

Strong criticism, not least from aid donors such as Sweden, has been made of government plans to go ahead with a BP624 mn military airfield at Molepolole. In a strong defence of its position in March, the government argued that military expenditure averaged only 10.3 per cent of budget spending between 1977-90. While some commentators have advocated postponing all new development projects unless they are entirely funded from abroad, most attention has focused on the recurrent budget. In real terms, the National Plan had already anticipated an annual average 6.9 per cent fall in development expenditures (2.4 per cent growth in nominal terms), but an annual 13.2 per cent rise in recur-

Lesotho in both female primary and secondary school enrolment, although there is a notable fall-off in the ratio of girls to boys in tertiary education. It is not surprising therefore that Botswana has one of Africa's most senior women ministers — External Affairs Minister Gaositwe Chiepe — and there a number of woman senior managers in government, notably the central bank.

Rapid improvements in services, however, have not been able to eliminate pockets of structural poverty which, according to the National Plan, affect an estimated 10 per cent of the population. Botswana also suffers from a highly unequal distribution of income. Surveys carried out in the mid-1970s and again 10 years later suggest this may have worsened, with the bottom 20 per cent of households having only 2.5 per cent of income against 59 per cent for the top 20 per cent. Mr. Charles Harvey, an economist on Botswana, argues that timing — the mid-1980s' survey was in the middle of a drought — and other factors make the evidence inconclusive. Nevertheless, cattle ownership, the principal source of wealth in rural areas in the virtual absence of extensive arable land, remains highly skewed. This has been worsened by recent drought (see box, page 17).

Rural areas suffered significantly higher inflation than the towns during 1992, adding further to the problems of low-income households. The government's continuous relief programme, however, which regularly assists 20 per cent or more of rural households, has successfully prevented significant numbers falling into destitution.

rent spending (24.5 per cent in nominal terms).

This high growth reflects the recent rapid expansion in social services. But with overall expenditures in recent years far higher than that originally budgeted, there is a widespread concern that "government spending is getting out of hand," in the words of one commentator, and should be reined in.

Cost-recovery in social services has become a common element in efforts to balance the central budget in a number of African countries, but is difficult to apply and threatens the wider "social justice" goal which is the avowed aim of



Weighing a child at a local clinic. Botswana's extensive welfare system for under-5s has been instrumental in combating the recent drought.

Botswana's development policy. President Sir Ketumile Masire, however, has recently hinted that a grant/loan scheme could be introduced for tertiary education.

While Botswana has undertaken major social initiatives, such as free meals for school children, it has avoided general subsidies, except in the area of housing rents. Despite calls from some quarters for rental subsidies to be lifted, it is general reform of the parastatal sector that is considered most urgent. Vice-President Mogae, in his February 1992 budget speech, strongly criticized management in many agencies and an-

Botswana: economic indicators

	1980	1985	1986	1987	1988	1989	1990	1991
GDP at current market prices (BP millions)	771.6	1,828.6	2,420.6	2,809.8	3,795.6	5,472.0	6,130.1	6,995
Real GDP growth (%)	15.4	8.3	8.2	10.3	9.2	13.4	5.3	8.7
Merchandise exports (\$mn)	544.5	727.6	852.5	1,586.6	1,468.9	1,819.7	1,753.2	1,827.0
Merchandise imports (\$mn)	602.5	493.8	608.4	803.9	986.9	1,185.1	1,606.2	1,982.8
Current account balance (\$mn)	-142.8	81.3	110.9	663.5	187.6	498.3	137.5	188.9
Gross budget (deficit) surplus/GDP (%)	(0.16)	22.6	22.3	17.9	20.8	10.1	13.0	2.5
Inflation rate (%)	13.6	8.1	10.0	9.8	8.4	11.6	11.4	11.8
Total external debt (\$mn)	133.2	33.7	387.0	513.2	501.5	512.8	515.6	542.8
Debt service ratio (%)	1.9	5.3	4.2	3.7	4.0	3.2	4.4	3.4
Official development assistance per capita (\$)	118	90	92	136	128	131	118	98
Diamond production ('000 carats)	n.a.	12,634	13,090	13,226	15,229	15,252	17,351	18,506
Cattle slaughtered ('000 head)	141	190	194	146	112	135	147	158
Food production per capita (1979-81=100)	91	78	74	67	84	85	76	68
Exchange rate (average pula per dollar)*	0.78	1.89	1.87	1.68	1.82	2.01	1.86	2.02
Reserves (months of export cover)	7.6	12.9	16.9	15.6	18.4	18.7	23.2	24.9

Source: IMF, World Bank, FAO, OECD, Bank of Botswana. * estimates. † October 1992. Pula 2 14 = \$1. figures in italics represent change of source. n.a. = not available.

nounced that there would be a thorough review of performance.

Mismanagement has been encouraged, analysts argue, by borrowing from the government at rates substantially below those prevailing in the market. Smaller loans at higher interest rates, backing more fundamental management reforms and possible mergers would, local economists argue, create a more effective and less costly public sector. There could also be some

privatization, though it is likely to be of more efficient entities, such as Botswana Development Corporation (BDC) and Botswana Telecommunications Corporation.

Current debate on budget-saving measures is set in the wider context of the need to curb inflation and the urgent goal of finding new areas for longer-term growth. Virtually all inflation has been imported from South Africa — the source of 80 per cent of imports — with the result that the exchange rate has been a

prime agency for controlling costs. Economists point out, however, that there is now a significant domestic component in Botswana's inflation, giving added importance to measures to control money supply, salaries and the overall level of government spending.

As well as trying to protect living standards, the government also needs to ensure that measures aimed at curbing demand today do not choke off prospects for future growth. Under Bank of Botswana prompting, real interest rates, for example, have risen sharply in the last 18 months, but are still below the rate of inflation. But the Bank concedes that in present circumstances

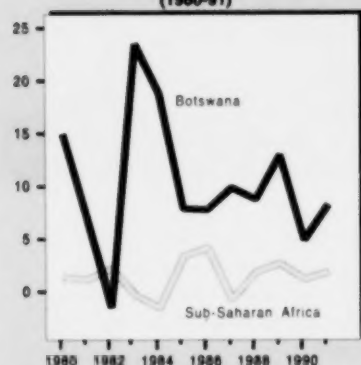
there is little chance of a significant upward movement in rates. "Interest rates have to rise," Mr. Mbaakany says, "but it shouldn't be a sudden large upward shift." BOCCIM has held a series of meetings with the government to discuss policies that can re-stimulate growth in the manufacturing sector, including some form of export credit scheme. A reduction in company tax from 40 per cent to 35 per cent, is another proposal.

Diamonds, however, will continue to be the major determinant of growth, even if the market does go through more turbulent times. Botswana entered into a new five-year contract with De Beers in 1991 and government officials say they have no plans to lower production. In fact, plans are still going ahead for an expansion of the main Jwaneng mine that would boost output by some 30 per cent from 1995.

Manufacturing continues to be seen by the government as key to the imperative of diversifying the economy, though "high-cost, low volume" tourism is also being given an important role. Botswana has adopted an 'open-door' approach to foreign investment, including what amounts to an export processing zone in the mining town of Selebi-Phikwe. Backed by its reputation for political and economic stability, Botswana has won a steady inflow of foreign capital into the non-mining sector. But a combination of a limited domestic market, high utility and other costs, poor labour productivity and continuing regional uncertainties has meant that overall investment levels have remained, in Vice-President Mogae's view, "disappointing."

What the Bank of Botswana has called the "appalling low levels" of labour productivity is a major area of concern. For Mr. Hudson the answer lies in reducing the minimum wage, which he argues is double what people are prepared to work for, and more widespread use of piece-rate work. Others, such as management consultant Peter Olsen, disagree. He puts the blame on poor management. There is general agreement that present investment incentives should be modified to encourage the use of more skilled labour. There is also agreement that the education system requires reforms, and World Bank officials say they are planning to work with the government in areas such as curriculum

Average GDP growth (1980-91)



Source: World Bank, UNDP, Bank of Botswana.

development to help overcome the present skill shortages.

Despite the problems, Vice-President Mogae believes that Botswana remains competitive in labour costs with its major rival for investment, South Africa. But University of Botswana economist Keith Jefferis argues that given the country's many constraints it is not clear what is the country's comparative advantage in export-oriented manufacturing. Even the successes in attracting labour intensive manufacturing, such as textiles, he has recently argued, means that "the resulting pressure to keep labour costs down may contribute to deepening social discontent."

While agreeing that Botswana is not interested in investment at any cost, BDC Managing Director Michael Molefane says that what is required is a more aggressive and targeted investment drive, going for sectors where Botswana does have some built-in advantages. Mr. Olsen agrees, quoting glass, soap and leather manufacture as possible areas. Seeking new markets outside the region must be part of this new drive, many argue.

Others, like Mr. Hudson, suggest that Botswana's comparative advantage lies in being a regional financial centre. Botswana could become the Switzerland of Africa, another economist says, though he concedes that this would have only limited employment gains. It would also require a willingness to further open up the economy during a difficult period.

Whatever the future direction, development of the country's financial sector is seen as vital. The establishment in 1990 of a stock exchange was an important initial step. The exchange has expanded rapidly, until the general economic gloom led to a downturn in October. Mr. Mbaakanyi warns, however, that there is still a long way to go in fostering a private enterprise spirit and he points to the lack of long-term financing as a fundamental factor.

The point is strongly endorsed by Mr. Molefane. BDC has an impressive track record in starting viable new business ventures, many involving foreign investment, but it remains the only source of long-term borrowing, Mr. Molefane says. "The financial sector has shown rapid development in recent years but has a tendency to remain risk-averse," he argues. "Botswana is constrained by a lack of long-term finance and it is this area that needs to be addressed."

The World Bank is already working with the government and the Bank of Botswana on financial sector reform. The granting of three new banking licences in the last two years — two of them to South African banks — has introduced needed competition into this sector. Private non-banking financial institutions, such as Zimbabwe's ulc, are expanding their activities.



Regional constraints

However good its national strategies, Botswana's economic fortunes will always be heavily influenced by events in the region and in its giant neighbour, South Africa in particular. The ending of apartheid-led destabilization has brought new stability, but great uncertainty still remains.

Given the strong trading ties, South Africa's influence is a direct one. It is a major rival for foreign investment and yet a considerable source of investment as well, not least through De Beers. In addition, through SACU, there is an immediate impact on government policies, as well as on the balance of payments. All sides are now calling for a fundamental reform of the customs union. With the drive for a more integrated Southern African Development Community, possibly including South Africa, also under way, major changes in economic relations can be expected. Such developments contain many unknowns, particularly while South Africa still struggles with fundamental political and economic choices.

Botswana, therefore, faces new and difficult challenges in the 1990s. To the prospect of significant changes in the region are added mounting concern over the ecological base for much of the population's livelihood as drought continues to threaten, fears that the diamond market could, at best, be facing a protracted period of uncertainty and doubts that the present diversification drive will generate sufficient new jobs to keep pace with Botswana's rapidly expanding labour force. What is clear, however, is that Botswana is entering the new period of uncertainty from a position of economic strength and with a tradition of careful management that should ensure continuing progress for the vast majority of its people. ■

Botswana's arid climate and fragile soils limit the potential for arable farming and mean heavy food imports.

Africa focuses on internal weaknesses

By Salim Lone in Dakar

Africa's marginalization in world affairs is primarily a result of its proliferating internal conflicts and diminishing capacity to manage its own affairs, a conference of African leaders, scholars and senior UN officials concluded. Almost all participants asserted that as long as Africa remained heavily dependent on the outside world and was unable to put an end to the strife which was claiming the lives of tens of thousands and threatening the survival of nations, it could not hope to expect the world to pay it more attention.

There also was agreement among the par-

Africa could hope to become a respected player on the world stage; the importance of Africa's precolonial heritage in the search for durable strategies for democratization and for political renewal; the impact on Africa of the rapid changes in the world following the end of the Cold War; and an assessment of the impact of the Bretton Woods institutions' policies and conditionalities in the areas of debt and trade, and on human well-being generally.

Self-reliance

The tone for the three-day conference was set by Mr. Nyerere, who stressed that Africa's 600 million could not be marginalized if they were self-reliant. "Can anyone imagine a conference on the marginalization of Asia?" he asked. The lack of serious international con-

and political revival, a theme pressed by the eminent historian Mr. Basil Davidson in an inaugural lecture. There was severe criticism in this regard of much of the continent's post-colonial leadership, which on the whole had continued with colonially-imposed political institutions holding little meaning for most Africans. For example, the tradition of rule by consensus was ignored by the new leaders.

Another theme that ran through the discussions was the impact of donor policies, in particular of the World Bank and IMF, on Africa's efforts to overcome its prolonged economic crisis. There was agreement that economic reforms were essential, that financial discipline and management had to be strengthened. But most speakers opposed other aspects of donor policies, arguing that

they were formulated by officials unfamiliar with the political and social realities of the countries over whose policies they had so much influence. There was particularly sharp criticism of the donor emphasis on exports, since it was acknowledged that the demand and prices of the commodities Africa exported would continue to be poor. Lack of action on Africa's debt, which now consumed \$26 bn a year to service, was also criticized, as was the proliferation of conditionalities, which now went well beyond hard



Participants at the ACDESS conference included, from left: Mr. Louis Emmerij, Director, OECD Development Centre; Mr. Pascal Gayama, Assistant Secretary-General of the OAU; and Mwalimu Julius Nyerere, ACDESS President.

ticipants that Africa needed to look to its own traditional mechanisms for answers to its multiple challenges.

Despite the conference's focus on Africa's internal factors and responsibilities in the continent's renewal, the role of the World Bank and the International Monetary Fund (IMF), were the subject of contentious debate.

The conference was convened in Dakar, Senegal in November by the African Centre for Development and Strategic Studies (ACDESS), a major new African "think tank" founded by Professor Adebayo Adedeji, former Executive Secretary of the UN Economic Commission for Africa (ECA), and presided over by Mwalimu Julius Nyerere, the former President of Tanzania who is now Chairman of the South Commission.

The themes the participants focused on included self-reliance as the only basis on which

cern about Africa was rooted in the continent's own weaknesses, he said, and as such began much earlier than the end of the Cold War, an event which merely accelerated the region's "involuntary delinking" from the international mainstream. There was no alternative to self-reliance, Mr. Nyerere asserted, contending that additional external resources were not in any event available. He emphasized that self-reliance should not be confused with self-sufficiency, since no nation could achieve the latter.

He went on to say, however, that while developing countries should stop looking to the outside world for assistance, they should continue to demand a system which does not transfer money from the poor to the rich.

A number of speakers pointed to the need to study carefully the continent's history as a source of sustainable strategies for economic

macro-economic demands.

Senior officials from the United Nations were, on the whole, not in agreement with this critique, contending that while structural adjustment programmes had many weaknesses, they were indispensable to the continent's economic recovery and to obtaining external resources for development.

The bulk of the discussion revolved, however, around what Africa itself needed to do if it was to reverse the impoverishment of its people as well as its marginalization. All participants agreed that only a human-centred development strategy would succeed in doing this. Hence, governments must reverse their sharp cutbacks in expenditures on health, education and other vital human needs.

Reflecting the candid nature of the discussions, Dr. Nthato Motlana of South Africa argued that the salaries of many African workers

STRATEGIC STUDIES(ACDESS)



were unrealistically high.

In stressing the need for human-resources development as the key to Africa's economic recovery and transformation, many participants pointed to the continued need to educate policy-makers about the multiple roles women play within the household and community, particularly in agriculture. The best way to meet the priority continental aim of food security was to strengthen women's productive potential.

Popular participation

Popular participation by communities in local and in national decisions was an essential first step in ensuring the adoption of human-centred policies. But democratization was not possible without education, without meeting a population's basic needs, and without an independent media. Many participants referred to the African Charter for Popular Participation, adopted in Arusha in February 1990, as a watershed in its time, which had brought democratization into the mainstream of official African thinking.

At the same time, it was pointed out that the democratization and accountability which donors frequently demanded of African states, must also be practised at the international level, including at the United Nations and particularly the Bank and Fund.

Such views were put forth not only by Africans but also most energetically by Mr. Louis Emmerij, the head of the Development Centre of the Organization for Economic

Cooperation and Development. Referring to the West's "immobility" in the face of the changes taking place around the world, he said Africa and other developing regions were better at practising (perhaps overzealously) what the North preached on privatization, open trade, etc. Yet, action promised to Africa on debt had still not transpired, and no one even

mentioned the issues of deteriorating terms of trade and falling commodity prices.

Effective integration at regional and sub-regional levels was clearly recognized as being essential to Africa's revival. Many states were too small to be economically viable and economic integration

would help resolve border disputes as well.

There was recognition that many current economic and development policies were dangerous for the environment, and a more explicit ecological model for African development needed to be formulated.

Finally, the theme of security permeated all discussions. Speakers emphasized repeatedly that the notion of security had to encompass political security, democratic freedoms and development. Each one of these needed the other two elements to be sustainable. An urgent solution to the growing number of inter- and intra-state conflicts was therefore paramount, and the OAU needed to play a much greater role in preventing and resolving conflicts in Africa.

Prof. Adebayo Adedeji, ACDESS Executive Director, speaking at the conference. To his left are Mr. Layashi Yaker, Executive Secretary of the ECA and Ms. Ellen Johnson Sirleaf, Assistant Administrator (Africa), UNDP.

A number of participants condemned the attempts, partly fuelled from outside, to abort peaceful democratic change in Angola.

Professor Adedeji in his statement said that Africa's marginalization had been brought about by "our diminishing capacity to do things for ourselves. We have only ourselves to blame for a situation in which policy-making is gradually being ceded to outsiders ... We need a new national order which will not, as at present, be a mirror of foreign values."

In conclusion, it was agreed that sustainable development would come only from within; and that the goal of all policies should be to improve the human condition and develop the continent's human resources. It was meeting the needs of each nation that would provide the engine of growth in Africa, rather than export-oriented strategies. As Mwalimu Julius Nyerere said, "Societies are living things, they grow from the inside."

The conference concluded with strong expressions of support for ACDESS, with many participants saying that it was ideally placed to contribute to the process of African renewal through deeper study of the causes of social, economic and political malaise as well as of the means to reverse it. To achieve this, ACDESS was urged to forge links with, and strengthen, networks among people's organizations and the academic, research and policy-making communities. ■

"Policy-making is being ceded to outsiders because of our diminishing capacity to do things for ourselves."

Adebayo Adedeji

South Africa's impact on Africa

As part of its overall concern about economic cooperation and integration in Africa, ACDESS is studying the impact of post-apartheid South Africa on the rest of the continent. While there has been widespread interest in how post-apartheid South Africa will influence developments in Southern Africa, no major study has focused on its impact on Africa as a whole.

ACDESS will work with the ECA, OAU, the Swedish International Development Agency (SIDA) and four South African institutes which will be represented at the first project meeting in March in Ijebu Ode, Nigeria: the Centre for Southern African Studies at the University of the Western Cape (Prof. Robert Davies); the Africa Institute of South Africa (Dr. Stef Coetzee); the Institute for African Alternatives (IFAA) (Mr. Ben Turok); and the Institute for Democratic Alternatives for South Africa (IDASA) (Dr. Nthato Motlana).

was particularly critical of efforts to recover the costs of providing social services in the current economic climate. "The measures for cost-sharing and cost-recovery which have been introduced recently by a number of countries with Structural Adjustment Programmes (SAP)s are clearly unrealistic." He called for increased financial flows and new action to reduce the stock of external debt (see page 4) and preferential concessions for Africa in the still stalled Uruguay Round of international trade negotiations to help foster diversification.

Recovery in agricultural output, provided present signs that the devastating drought in eastern and southern Africa has ended prove accurate, could lead to growth of about 3 per cent in 1993, Mr. Yaker said. This is roughly equal with the rate of population growth and only half the 6 per cent target envisaged in the UN's New Agenda for the Development of Africa in the 1990s (NADAF), Mr. Yaker pointed out.

Faster growth continues to be constrained by the still hesitant recovery in major industrial countries from the recession of 1991. In an unprecedented third issue of its report,

World Economic Outlook in December, the International Monetary Fund (IMF) again revised down its projections for growth in 1993. Industrial countries are now expected to expand output by 2 per cent in 1993, against an October prediction of 2.9 per cent. Growth in 1992 has been revised down to 1.4 per cent from 1.8 per cent.

Cheaper oil prices and lower interest rates will moderate the impact of slower industrial growth on developing economies, the IMF

will be below the level of inflation in industrialized countries, for example.

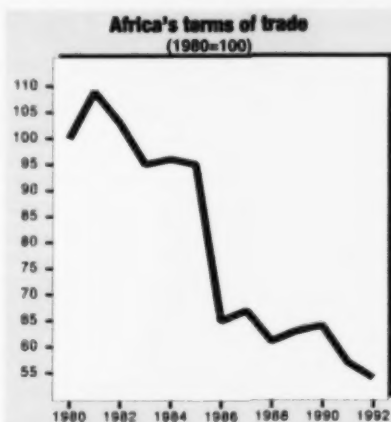
Poor commodity prices were an important factor in Africa's disappointing 1992 performance (see page 30). Africa's terms of trade worsened by a further 5.8 per cent in 1992, the ECA estimates. The ECA puts total export earnings slightly up at \$74 bn, compared to 1991's \$72.7 bn. Imports, however, continued to rise sharply, and with financial transfers only slightly up on 1991 levels, Africa's current account deficit rose to \$8.6 bn in 1992, compared with \$7.2 bn in 1991, the ECA estimates.

Last year's picture was not all gloomy, Mr. Yaker pointed out. North African economies grew at 3.8 per cent, compared with 2.6 per cent in 1991. Sahelian countries also enjoyed relatively high growth of 4.5 per cent, thanks to largely favourable weather conditions. But for eastern and southern regions, growth was below 1 per cent and for Central Africa, was a negative 1.2 per cent. Latest UN figures put 1992 growth in sub-Saharan Africa, excluding Nigeria, at 0.9 per cent, up from 0.2 per cent in 1991.

Inflation rates have also been falling in many countries. "Perhaps the only positive macro-economic trend in 1993 will be the moderation of inflation," Mr. Yaker said.

Africa faces a formidable task if it is to achieve the goals set out in NADAF and in Agenda 21 as approved by the UN Conference on Environment and Development, executive Secretary Yaker said. Countries must make a concerted drive to enhance both their human development capacity and the diversification of their economies, he argued, backed by increased assistance from the international community.

This in turn required a more stable political environment. The lesson from Somalia was that Africa needed to devise new institutions and strengthen existing ones to mediate in internal as well as inter-state conflicts. Democratic principles and social justice must prevail at all levels. "In Africa this means that current efforts to restore economic structural reforms should pay adequate attention to the equitable distribution of the benefits and costs to all segments of society," he argued, "with measures to protect the most vulnerable segments; while the transition to democracy should be above reproach."



Source: UNCTAD/ECA

Africa's deteriorating terms of trade has been a significant factor constraining the region's development.

believes. Its forecast for African growth in 1993 — which does not include Egypt and Sudan — is 3.3 per cent, compared with 3.4 per cent in October. Its projection of 1992 growth remains unchanged at 2 per cent.

The IMF picture, however, also includes a further revision downward in commodity prices. These are still expected to be higher than in 1992, but at 2.6 per cent, the increase

Economic Commission for Africa Executive Secretary Layashi Yaker noted in an end-1992 review of Africa's economic prospects.

"Unless developing countries have true access to ecologically sound technology, they cannot be expected to make the transition to sustainable development," Congo's Ambassador to the UN Martin Adouki told the General Assembly. Urging donor countries to honour their aid pledges, Uganda's Permanent Representative Perezzi Kamunanjwe argued that the starting point for raising financial resources for Agenda 21 should be the cancellation of bilateral and multilateral debts. "It is not uncommon to see natural resources being over-exploited in order to increase production in an effort to get export earnings to pay for the unending debts," he observed.

Environment

from page 9

Development Association (IDA) latest replenishment, as suggested in Rio by Bank President Lewis Preston (see page 5). Mr. Preston has made clear that, along with poverty reduction, environmental issues are at the top of IDA's priority list.

African priorities

Apart from desertification, African countries have made increased finance and the transfer of technology priority issues during discussions on UNCED follow-up. Both are seen as vital if Africa is to have the capacity to implement sustainable development strategies,

Adjustment report

from page 13

lending countries whose often more favourable results are strongly influenced by the likes of Botswana.

Poverty, says RAL-III, "almost certainly increased" in low-income countries, before improving in the late 1980s. Even so, the poor were "clearly better off" under most SAPs than they would have been without systematic adjustment, and suffered severely in countries that abandoned adjustment. The Bank leaves open the question of whether an alternative adjustment path could have left the poor substantially better off: adequate information is "not usually available" to indicate an answer.

Perseverance and credibility

Zambia, Côte d'Ivoire and Tanzania are described as failures because they dropped out and fared worse than others that stayed with intensive adjustment. With all three countries subsequently renegotiating SAPs, the Bank insists that perseverance, rather than a stop-go attitude, enhances the credibility and prospects of the reforms.

Even among middle-income countries, however, recession was short in only a few (mainly South Asian) countries which had smaller initial distortions, well-developed private sectors, and relatively small foreign debt. Most middle-income countries have seen long years of falling output and demand for labour, and countries that began intensive adjustment early in the 1980s saw improvement only towards the end of the decade, but in countries with recent SAPs incomes were still falling.

Nevertheless, RAL-III asserts, growth in low- and middle-income IALCs was 2 and 4 per cent higher than it would otherwise have been. The 1988-90 acceleration of growth in low-income adjusters to some 4 per cent a year coincided with the Bank's Special Programme of Assistance for sub-Saharan Africa (SPA), which aimed to speed official resource flows. But this growth spurt occurred in such countries as Ghana not only because official money was pouring in, but also because of the positive effects of adjustment reforms, the Bank insists.

Exports in the low-income group barely rose as a share of GDP between 1980-85 and 1986-90 (from 23 to 24 per cent), falling short of the 25 per cent average of the 1970s. For middle-income countries, however, real exports rose slightly in 1980-85, and then sharply — by almost 10 per cent — in 1986-90 to reach 34 per cent of GDP.

Another disparity is that real investment rates stagnated in middle-income IALCs but fell by 3 per cent among low-income IALCs. The study says higher population growth in the low-income group (3 per cent compared to 2 per cent for middle-income countries), translated into lower annual growth of per capita consumption (0.7 against 2.6 per cent).

Despite more conditions in recent SAPs aimed at reshaping the business environment, private investment has continued falling in low-income countries, from some 25 per cent of GDP in 1971-80 and 18 per cent in 1981-85 to 15 per cent in 1986-90. More than half of

firms, the main constraints to investment were said to be lack of working capital and credit to finance capacity expansion, as well as "insufficient internal demand, associated with import liberalization," the Bank reports.

It says adjustment loans to promote private investment will need longer implementation and disbursement periods, and investment loans, particularly for financial sector reform may be better suited to improving the business climate. Whereas RAL-III claims the downturn in investment may have increased the efficiency of existing investment, the Working Paper says that any increase in efficiency has not counterbalanced the overall fall in investment. The

lack of growth in sub-Saharan Africa may also be due to the restrictive fiscal and monetary policies of SAPs which limit imports and contribute to falling capacity utilization.

The Bank says intensive adjustment has helped cut budget deficits, but warns that in some countries, "the sharp decline in public investment may be leading to serious infrastructure bottlenecks." Although high growth of public wage bills has been checked, instances of decline are few. The combination of "resilient wage bills" and "sharply rising" interest payments has led to cuts for non-wage operations and maintenance in many countries, and a "marked deterioration in infrastructure and service delivery" in critical socio-economic programmes.

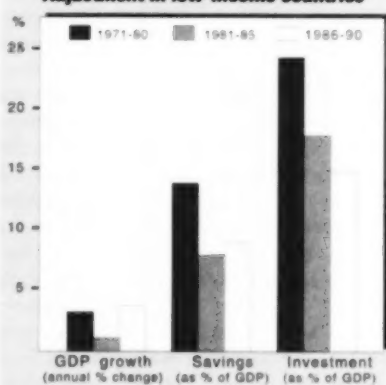
"Such cuts for short-term adjustment are taking a toll on economic production and growth," and until recently, the

Bank adds, SAPs paid inadequate attention to long-term development. For the Bank, adjustment is a "necessary, but not a sufficient condition for transition to sustainable growth" in sub-Saharan Africa. With low-income countries continuing to need substantial adjustment loans throughout the 1990s, the Bank says investment loans should target specific development projects and sectors, and SAPs "need to give more attention to the public sector's ability to provide an enabling environment and infrastructure for growth, to strengthen human capital, and alleviate poverty."

Special social funds and action programmes should not be a substitute for more fundamental restructuring of social sector spending to increase efficiency and reduce poverty.

World Bank

Adjustment in low-income countries



Source: World Bank.

A decade of intensive adjustment has barely restored growth in GDP and savings in low-income countries while investment continues to fall.

adjustment loans in 1988-91 carried conditions for removing regulatory practices, with over 41 per cent targeting trade liberalization and some 60 per cent promoting privatization.

RAL-III says such stabilization measures as devaluation have a "temporarily negative effect on investment," and also reduce the ability and willingness of banks to extend new credit. In Ghana, for example, where major bank clients were concentrated in protected import-substitution, the Bank says trade liberalization and other free-market measures boosted the volume of bad loans on bank books. In a 1990 survey of 113 Ghanaian

Mozambique

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shortages of seed, hand tools and draught oxen, as well as the displacement of large sections of the agricultural labour force, point toward poor harvests, according to UN Food and Agriculture Organization (FAO) forecasts.

Although generally good news, the resumption of rains has nevertheless brought new problems in its wake. With roads in poor condition throughout the country, the rains have already made some of them impassable to food convoys.

More seriously, given the destruction of much of Mozambique's health care network, water-borne diseases have been spreading alarmingly, with scores of cholera deaths around the country. The office of the UN High Commissioner for Refugees (UNHCR) reports mounting deaths from cholera in the Mozambican refugee camps in Malawi as well. Unfortunately, one of the greatest lags in the donor response to the UN-SADC emergency aid appeal was in assistance for the health sector (see box, page 11), with Mozambique receiving in pledges only 15.7 per cent of the \$771,000 that had been requested.

Medicine shortages and food distribution problems may be aggravated further as refugees start returning home. According to UNHCR, 100,000 Mozambicans had crossed from Malawi into the northern provinces (Manica, Tete and Zambezia) by early February. If the peace prospects in Mozambique continue to improve, these numbers may reach 300,000 by May.

Support for peace process

The reintegration of such returnees and the resettlement of internally displaced Mozambicans and demobilized troops are a key component in the implementation of the peace accords. At the 15-16 December conference sponsored by the Italian government, the financing requirements for the emergency and reintegration component were estimated at \$326 mn, out of \$402 mn in overall implementation costs; the remainder was to support the electoral process. Donor governments pledged some \$308 mn of this amount in Rome. (They also announced \$80 mn in pledges for food aid, although some of these overlapped with the pledges at the World Bank's consultative group meeting the week before.)

The refugee repatriation programme will include food rations, health care, tools and seeds, building materials, domestic utensils

and other assistance to help returnees get a new start back home. Demobilized troops will be accorded similar aid to help them reintegrate themselves into civilian life.

Before this can happen, however, the former combatants from both sides will need to be gathered in 49 assembly points. Only 12 sites have yet been designated, however, and with many senior Renamo leaders still operating out of their headquarters in Gorongosa, detailed negotiations have been hampered. At a 22 January meeting, government and Renamo representatives agreed to a proposal by Mr. Ajello that the assembly points be opened in four phases, beginning even before the first major ONUMOZ contingents arrive. But representatives warned of "serious problems" if demobilization had to be stalled because of delays in the deployment of ONUMOZ.

The UN Secretary-General reported that as of 1 February 16 countries had agreed to make military personnel available for ONUMOZ, and that discussions were continuing with other states. However, as of early February there was no definite timetable for troop deployment. In a separate undertaking in which UN assistance has not been requested, France, Portugal and the UK are to help in the training and organization of a new Mozambican national army, comprising 30,000 non-demobilized troops in equal numbers from both the government and Renamo sides.

Among the responsibilities of the ONUMOZ contingents will be securing the Beira, Limpopo, Nacala and Tete transport corridors, running across Mozambique from the Indian Ocean to the land-locked countries to the north and west. These corridors were previously protected by Zimbabwean and Malawian troops, whose withdrawal from Mozambique was stipulated in the peace accords.

ONUMOZ is also to assist in the preparations of the presidential and legislative elections, tentatively set to take place in October 1993. The ONUMOZ Electoral Division will verify the impartiality of the National Elections Commission; verify that political parties have freedom of organization, movement, assembly, expression and access to the media; see that the electoral rolls are properly drawn up; and carry out other tasks. During the elections themselves, up to 1,200 international observers will be required.

While international support will be essential in helping such a complex peace process succeed, Mr. Boutros-Ghali has noted that the main impetus will inevitably have to come from Mozambicans themselves, with all parties making a determined effort to honour their commitments.

Somalia

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area, but planning for UNOSOM II includes deployment of troops in this region. Failure to disarm in the north, Mr. Boutros-Ghali argues, could thwart such efforts in the rest of the country. The establishment of a Somali police force will also be "a crucial step" in creating a secure environment.

Seriousness of purpose

The continuing success of relief operations will depend on maintaining the more secure environment that has been established. Between 10 December and 20 January, some 40,000 tons of relief supplies were delivered to Somalia through Mogadishu's port and newly re-opened airport, the DHA reported in January. On 22 January 3,000 tons of food arrived in Kismayo, the first delivery since September 1992 when insecurity forced the closure of the port. UNICEF has continued to supply medicines and supplementary feeding, largely through NGOs, to over 200,000 children a day.

Improved security has also enabled Somalis to look to the longer term. While the UN Food and Agricultural Organization predicts a need for large food imports over the next two or three years, more food is starting to be grown. A UNICEF/OXFAM programme has distributed seeds and tools to over 18,000 farming families in southern Somalia. ICRC has a similar operation. UNITAF forces have rehabilitated crucial road links and airstrips in southern and central Somalia, including a start on the enormous task of removing mines.

DHA has been developing a relief and rehabilitation programme for 1993. This will cover areas such as food security, health, water and sanitation, agricultural production, basic education and resettlement, both for immediate relief and for longer-term reconstruction.

National reconciliation remains an enormous challenge. No agreement on the agenda or on who should participate in the March conference was reached at the January meeting of political factions in Addis Ababa. The Secretary-General has made clear that success will depend on the full involvement of a broad spectrum of Somalis. The "long and difficult" route to peace will require compromise and "the utmost seriousness of purpose," he warned.

For further details, see *Africa Recovery Briefing Paper No. 7, Somalia — Restoring Hope: January 1993*



Katua Kasimi's Story

By Djibril Diallo

Katua Kasimi's generation is the first in his rural eastern Kenyan village to give a name to the respect they hold for the earth. "Environmentalism" is the term that 12 year-old Katua's teacher uses to describe efforts to maintain the balance of nature, and last year the class learned that a world meeting called the United Nations Conference on Environment and Development would encourage everyone to play their part. If UNCED accomplished what his teacher said it might — dividing responsibility for the survival of the planet among everyone capable of helping or harming nature — Katua felt he would have good reason to feel hopeful about his generation's future.

Al Gore's agenda

For me personally, one of the high points of the 172-nation Earth Summit in Rio de Janeiro last June was a statement by then US Senator (now Vice-President) Al Gore of Tennessee to a group of parliamentarians. The meeting was organized by the indefatigable Akio Matsumura, executive director of the Global Committee of Parliamentarians. It was one of those excellent meetings that could have done with a bit more media attention. Al Gore's approach to environmental problems, as shown by his statement, was refreshing indeed.

He insisted that the quest for a sustainable environment had to be closely tied to demographic and economic issues. In other words, to make a difference, one had to move on three fronts at the same time: family planning, education (especially education of the girl-child) and health.

African concerns

Keeping the promises made at UNCED and translating them into reality was a major concern of the 47th session of the UN General Assembly which ended in December 1992 in New York. For Africa, sustainable development means finding ways to confront a whole range of issues, from the crippling burden of debt to the need for alternative sources of energy, equitable access to export markets, household food security, and a share of the returns coming from the numerous kinds of research conducted in Africa.

Apart from participation in and access to the end-results of all this research, there is also a broader search for solutions to current development problems which will break the vicious cycle of poverty and environmental degradation, and will benefit children in the long-term.

In Rio just as at the UN General Assembly, Africa succeeded in putting its case forward. The arguments were along the lines that the world should be more forthcoming in recognizing Africa's self-directed progress, and by examining its current limitations, the international community should realize the importance of Africa's situation to our collective future. Furthermore, went the argument, the international community should offer the help needed to achieve sustainable development where the continent's needs continue to outweigh its resources.

There are two compelling realities which indicate that Africa's future should not and cannot be Africa's concern alone: *morally*, because the continent did not evolve to its present state of distress in total isolation, and *practically*, because we live in a shrinking and increasingly interdependent world.

That interdependence was underscored at UNCED when North and South compared their needs. The stakes are high for Africa, and its survival hinges on achieving sustainable development. However, the North may have as much to lose, with its industries still largely dependent on raw materials, its manufactured goods in need of growing export markets, and its societies coping with rising numbers of immigrants and refugees from fractured countries.

For our children's sake

There is cause for some optimism for the future of Africa's children. The results of the International Conference on Assistance to African Children, sponsored by the Organization of African Unity (OAU) and held in November 1992 in Dakar, Senegal, went a long way towards countering the growing wave of pessimism confronting the continent. In these days of financial constraint, it was no mean feat to get the industrialized nations to sit down with African countries in order to hammer out a new compact which will form the basis of their partnership for children during the 1990s.

The day the conference ended, James Grant, the Executive Director of UNICEF, met for 90 minutes with President Abdou Diouf of Senegal, who is also current Chair-

man of the OAU. Mr. Grant told the President that during the Dakar meeting, the donor community had gone further in its commitment for Africa than it had done in other fora. The "Dakar Consensus" which the conference produced contains significant commitments on ways to resolve the crippling effects of debt and provide additional resources for African children (see page 6). This concept of additionality involves new resources being raised both within and outside the African continent.

For instance, more African resources could be obtained for child survival and development by diverting greater amounts from military spending. It was indeed encouraging that, two years after 71 Presidents and Prime Ministers agreed at the World Summit for Children in New York on goals to be reached by the year 2000, over 40 African countries have developed their own specific plans for achieving these goals.

Quest for solutions

Perhaps the world has just cause to assign a particular responsibility to the industrialized North, which has gone well beyond its own borders to exploit the world's — and Africa's — resources.

The burden — and ultimately, the rewards — of finding and implementing solutions must be shared. Only an accurate assessment of needs, the mobilization of all the continent's internal resources, and a redefinition of world interest in meeting Africa's special requirements will provide greater assurance of the continent's future survival.

It appears that Katua's optimism was justified by the UNCED conference. The North/South/East/West compact is the outcome he had hoped for — a division of responsibility for maintaining the balance of nature and the health of the planet.

But Katua must also know what that progress means in real terms: his generation cannot afford to rest for a moment — as the world strives for balances, it will turn to Katua's generation to provide the human resources on Africa's side of the scale. It will demand constant proof of Africa's determined efforts to help itself — and the continent will respond with tenacity and perseverance. Because for as long as Africa's children are hungry, its environment — and the global environment — remains at grave risk. ■

**The African Baobab is one of the world's hardiest trees, thriving in even the most arid environment. It is also the tree under which some Africans traditionally meet to decide issues of common concern.*

A F R I C A AGENDA

FORTHCOMING EVENTS

24-26 February, Washington, US: Public Health in Africa: Healthcare Problems and Policies is a conference held by the Institute for African Affairs.

4 March: Washington, US: "US Foreign Policy: An Africa Agenda" is the theme of a conference organized by the Washington Office on Africa and the US National Council of Churches.

17-19 March, Windhoek, Namibia: Conference on Mining Investment in Namibia, organized by the Ministry of Mines and Energy.

5-7 April, Glasgow, Scotland: Second International Conference on Science and Technology in Third World Development, held by the University of Manchester.

14-15 April, Providence, Rhode Island, US: Change and Opportunity: Mobilizing Support against Hunger is the theme of the Sixth Annual Hunger Research Briefing and Exchange of the World Hunger Programme at Brown University.

15 April, Albany, Georgia, US: 25th Annual Conference of the Liberian Studies Association.

15-17 April, New York, US: "Africa Can Teach" is the theme of the Unitarian Universalist United Nations Office annual seminar.

19-23 April, Ile-Ife, Nigeria: First International Working Conference on Health Informatics in Africa (HELINA '93).

30 April, Washington, US: Interim Committee and Joint Development Committee meetings of the IMF and World Bank.

1-4 May, Lagos, Nigeria: The Age of Global Citizenship: The African Perspective is the theme of an International Model Organization of African Unity held by Junior Chamber International.

12-14 May, Abidjan, Côte d'Ivoire: African Development Bank and African Development Fund annual meetings.

17-21 May, Addis Ababa, Ethiopia: Sustainable cattle production in sub-Saharan Africa: optimizing resource use is the subject of the first biennial workshop of the Cattle Research Network.

24-29 May, Libreville, Gabon: Second African-African American Summit conference.

24 May-3 June, Nairobi, Kenya: First substantive session of the UN intergovernmental committee drafting an International Convention to Combat Desertification.

7-11 June, Berlin, Germany: 9th International Conference on AIDS.

14-25 June, Vienna, Austria: World Conference on Human Rights organized by the UN.

June, Cairo, Egypt: Summit of the Organization of African Unity.

21-22 July, London, UK: African International Computer Exhibition/Conference held by AITEC.

Nutrition action plan focuses on Africa

Citing the "dramatic deterioration of the nutrition situation in Africa," the International Conference on Nutrition meeting in Rome, 5-11 December called for tangible and sustained support for African countries from the international community. More than 780 million people worldwide do not have enough food for basic needs, and more than two billion suffer from malnutrition.

The conference declaration ratified by representatives of 159 countries, including 139 ministers, contains a global Plan of Action for Nutrition with practical guidelines collaboration between governments, local communities, NGOs, and international agencies. The conference was jointly sponsored by the Food and Agriculture Organization (FAO) and the World Health Organization (WHO).

The Plan of Action includes a "Focus on Africa" section endorsing initiatives already taking shape in several key sectors such as proposals to combat drought and desertification. It also supports measures to promote agriculture and farmers' organizations. The plan strongly endorsed an Organization of African Unity initiative to develop a Regional Nutrition Strategy, centred on national plans of action, in cooperation with the FAO, WHO, UNICEF, and other international agencies.

"Africa is definitely our highest priority, and we will be focusing on Africa as we follow up on implementation on the Plan of Action for Nutrition," Mr. John Lupien, director of the FAO's food policy and nutrition division, told *Africa Recovery*.

FAO Director-General Edouard Saouma told the conference that "the principal cause of hunger and malnutrition is poverty," adding that "we are witnessing a veritable explosion of need" around the world caused by natural disasters, conflicts, and collapsing economic and political systems. Instead of special new funds or new agencies, Mr. Saouma called for the integration of nutrition priorities in national and international development efforts.

The plan has nine priorities for government action to improve nutrition: incorporate nutritional goals into development policies and programmes; improve household food security; improve food quality and safety to protect consumers; prevent and manage infectious diseases; promote breast-feeding; care for the deprived and nutritionally vulnerable; prevent and control micro-nutrient deficiencies; promote appropriate diets and healthy lifestyles; and assess, analyse, and monitor nutritional status.

18-20 August, Nairobi, Kenya: African Capital Markets Conference, organized by the US-based African Finance and Economics Association, and the Capital Markets Authority of Kenya.

13-24 September, Geneva, Switzerland: International Convention on Desertification — second 1993 meeting of the special UN committee.

28-30 September, Washington, US: World Bank/IMF annual meetings.

September, Port Louis, Mauritius: 5th Francophone Summit.

4-6 October: Tokyo, Japan: International Conference on African Development, held at ministerial level and organized by the Japanese government, the UN and the Global Coalition for Africa.

December, Kampala, Uganda: "Pan Africanism: Facing the Future in Unity, Social Progress and Democracy" is the broad theme of the 7th Pan African Congress.

6-10 December, Yaoundé, Cameroon: UN Industrial Development Organization (UNIDO) general conference.

WHAT'S TAKEN PLACE

12-21 October 1992, Banjul, Gambia: 12th session of the African Commission on Human and People's Rights.

11-13 November, Abuja, Nigeria: International Conference on Promoting Capital Markets in Africa.

19-24 November, Dakar, Senegal: Restructuring African Universities was the theme of a seminar organized by UNESCO.

25-27 November, Dakar, Senegal: International Conference on Assistance to African Children held by the Organization of African Unity and UNICEF.

2-4 December, Lusaka, Zambia: Drought and Food Security was discussed by agriculture, planning and transport ministers of the Preferential Trade Area for Eastern and Southern African Countries (PTA).

8-11 December, Nairobi, Kenya: African Regional Workshop on the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer.

11 January, Lagos, Nigeria: First Africa-US International Conference on Manufacturing Technology.

11-13 January, Washington, US: Overcoming Poverty: Global Priority was held by the International Development Conference.

12-14 January, Nairobi, Kenya: Remote Sensing Technology for Sustainable Development was a UN Environment Programme international workshop.

21-22 January, Cape Town, South Africa: High-level Group on Bringing Africa Back to the Mainstream of the International System was a meeting organized by the InterAction Council, chaired by the UK's Lord Callaghan, with a broad range of African and donor country figures.

26-29 January, Nairobi, Kenya: "Convention on Biological Diversity: National Interest and Global Imperatives" was discussed at an African Centre for Technology Studies international workshop.

A F R I C A BOOKS

Debt, Adjustment and Poverty in Developing Countries. Vol I: National and International Dimensions of Debt and Adjustment in Developing Countries; Vol II: The Impact of Debt and Adjustment at the Household Level in Developing Countries by David Woodward (Pinter Publishers, London, UK; 1992; £39.50 each volume). The author concludes that structural adjustment programmes in Africa have done more harm than good, with health care faring better in African countries which did not have such programmes.

Structural Adjustment and the Crisis in Africa: Economic and Political Perspectives ed. David Kenneth and Tukumbi Lumumba-Kasongo (Edwin Mellen Press, Lewiston, US/Dyfed, Wales; 1992; hb \$59.95/pb £29.95). A lively exchange among well-known analysts of Africa's economic and political crises: Adebayo Adedeji, Claude Ake, Mahmood Mamdani, Marie-Angelique Savané, Dunstan Wai and Sheila Smith.

Adjusting Privatization: Case Studies from Developing Countries by Christopher Adam, William Cavendish and Percy Mistry (James Currey Ltd., London; 1992).

Authoritarianism, Democracy and Adjustment: The Politics of Economic Reform in Africa eds. Peter Gibbon et al (Scandinavian Institute of African Studies, Uppsala, Sweden; 1992; pb £14.95/hb £23.95).

Encouraging Democracy: What Role for Conditioned Aid? by Joan M. Nelson and Stephanie J. Eglinton (Overseas Development Council, Washington; 1992; \$9.95). **Pressing for Peace: Can Aid Induce Reform?** by Nicole Ball (Overseas Development Council, Washington; 1992; \$9.95).

Democracy, Participation and Development (third issue for 1992 of the quarterly journal *Development*) (Society for International Development, Rome; 1992; \$14 in high income countries, \$7 in low income countries).

Development Policy Review (Overseas Development Institute/Sage Publications, London, UK). Vol. 10, No.3, September 1992 includes a critique of economic liberalization and an argument for "structural transformation programmes."

Non-alignment in the 1990s: Contributions to an Economic Agenda (South Centre, Geneva, Switzerland; 1992). **The United Nations at a Critical Crossroads: Time for the South to Act** (South Centre, Geneva, Switzerland; 1992). **Enhancing the Economic Role of the United Nations** (South Centre, Geneva, Switzerland; 1992).

Beyond the Earth Summit: Conversations with

Advocates of Sustainable Development by Steve Lerner (Commonweal, Bolinas, US; 1992).

Growing Our Future: Food Security and the Environment by Katie Smith and Tetsunao Yamamori (Kumarian Press, West Hartford, US; 1992).

Wasting the Rain: Rivers, people and planning in Africa by W.M. Adams (Earthscan, London; 1992; £12.95).

The Energy Industry and Global Warming: New Roles for International Aid by Dennis Anderson (Overseas Development Institute, London; 1992; £6.95).

Making a Difference: NGOs and Development in a Changing World eds. Michael Edwards and David Hume (Earthscan/Save the Children Fund, London; 1992; £12.95).

The State of World Rural Poverty by the International Fund for Agricultural Development (Intermediate Technology Publications, London; 1992; \$14.95).

Strategy for African Mining by the Mining Unit of the World Bank's Industry and Energy Division (World Bank, Washington; 1992).

Customary Commerce: a historical reassessment of pastoral livestock marketing in Africa by Carol Kerven (Overseas Development Institute, London; 1992; £8.95).

L'Agriculture urbaine à Lomé by Christine Schilter (Karthala, Paris; 1991; 140 FF).

Measuring the Impact of Fatal Illness in Sub-Saharan Africa by Martha Ainsworth et al (World Bank, Washington; 1992).

The Horn of Africa: Prospects for Political Transformation by Colin Legum (Conflict Study 254; Research Institute for the Study of Conflict and Terrorism, London; 1992; £10).

Zaire: Troubled Past, Uncertain Future (Vol. 39, No. 3 of the quarterly *Africa Today*) (Graduate School of International Studies of the University of Denver, Denver, US; 1992; \$3.50).

Africa's trade 'trap'

Short Changed: Africa in World Trade by Michael Barratt Brown and Pauline Tiffen (Pluto Press, London; 1992; pb £12.92/hb £35).

African economies are caught in a commodity trade "trap" and its peoples are becoming steadily poorer as a result, argues this study by two researchers of the Transnational Institute, based in Amsterdam. Their fact-filled book, which includes more than 50 pages of statistical tables and graphs, hits hard at the "doctrine" of export-led growth, as it has been promoted in Africa, most prominently by the World Bank.

Since the 1950s, the study demonstrates, world market prices for many of the primary commodities that Africa exports have declined sharply. No "miraculous recovery" of primary commodity prices can be expected, the authors argue, noting further the absence of markets for any significant increase in the production of either agricultural or mineral exports. Even if industrialized countries emerge from the current recession, demand for raw materials will grow only slowly, the study predicts, as rising incomes are spent more on services than on goods and as substitutes are being developed to replace natural products. Consequently, structural adjustment programmes, which are predicated on higher export earnings, will not improve Africa's prospects for economic development, the study concludes.

Although the authors limit their task to one of critique, and offer no specific alternative, their findings nevertheless provide "overwhelming evidence that new approaches are long overdue," maintains Ms. Susan George in her foreword.

Adjustment, aid and African agriculture

Structural Adjustment and African Women Farmers, ed. by Christina H. Gladwin (University of Florida Press, Gainesville, US; 1991; \$34.95).

Aid to African Agriculture: Lessons from Two Decades of Donors' Experiences, ed. by Uma Lele (Johns Hopkins University Press/World Bank, Baltimore, US; 1992; \$52.95).

In the compilation edited by Christina Gladwin, the case for structural adjustment programmes (SAPs) in Africa is argued by Stephen O'Brien and Uma Lele, both of the World Bank, who stress that such reforms are necessary to redress earlier policy biases against agriculture. Most other contributors find that adjustment has had negative consequences for rural women in particular. Social stratification in the village and gender inequalities within the household mean that women have less access than men to land and other productive means and less control over the surpluses or profits that may result from better market incentives. Because of these difficulties, "The result may be more African food crises in the 1990s, because women contribute more to the production of food crops than to export crops, which are favoured under SAPs," says Ms. Gladwin.

Aid policies can also have a major impact on African agriculture, note the studies edited by Ms. Lele, which evaluate aid programmes in Cameroon, Kenya, Malawi, Nigeria, Senegal and Tanzania, as well as the aid approaches of the World Bank and bilateral donors. It finds that the greatest successes have come when aid is directed toward smallholder agricultural, alongside policies that favour economic growth in general. However, donors have often been preoccupied with short-term results and with political and strategic concerns, leading to abrupt swings in direction, erratic funding, top-down initiatives, and a "bandwagon syndrome" in their aid allocations. The book proposes that donors adopt a more balanced and long-term approach, and that African governments improve their capacity not only to use aid more effectively, but also to resist inappropriate donor aid proposals.

A F R I C A IN BRIEF

African rural population worst-off, says IFAD report

With the number of rural poor in Africa and other developing regions increasing dramatically over the past two decades, traditional, "trickle-down" policies for dealing with poverty have clearly failed to adequately address the problem, argues a new report by the International Fund for Agricultural Development (IFAD), a UN agency based in Rome.

Instead, argues IFAD's 500-page *The State of World Rural Poverty* report, the key to unlocking the potential for development lies in the rural areas themselves. "The rural poor, with the proper resources and with political power, can act as powerful agents for the enrichment of society as whole," says Mr. Idriss Jazairy of Algeria, outgoing president of IFAD. The agency's new president is Mr. Fawzi Hamad al-Sultan, who has been an executive director of the World Bank, representing Arab states.

One billion people in rural areas in

developing countries around the world are now living in poverty, an increase of 40 per cent in the past 20 years, says the report. Of these, 204 million are in Africa. African countries also account for 11 of the 15 countries in the world with the worst-off rural populations, based on IFAD's integrated poverty index (see table).

The gravity of Africa's rural crisis is not news, of course, but the IFAD report is unique in its comprehensive examination of the global causes of rural poverty, its wealth of data and its approach to solutions.

"The poor are not idle. They are poor farmers, poor herders and poor fishermen, but their incomes are gained from their work," Mr. Jazairy points out. "The answer to poverty lies in creating the conditions for them to earn more for their work."

According to IFAD, the rural poor have the knowledge and skills to increase their production, and must be active participants in their development. Small farmers, including women, are the agricultural "core" in developing countries and should be the focus of development, says IFAD. Also, rural women are major contributors to food production and income, and have a key role in development.

IFAD says that small investments for improving access to inputs and services by the

Lowest Rank on Poverty/Welfare Index

	Rural Poor* (millions)	Per cent rural population
Bhutan	1.2	90%
Burkina Faso	7.0	90%
Somalia	3.2	70%
Mauritania	.9	80%
Sudan	15.9	85%
Central Afr. Rep.	1.4	91%
Bangladesh	82.0	86%
Gambia	.5	85%
Guinea	3.5	70%
Afghanistan	7.1	60%
Guinea-Bissau	.6	76%
Rwanda	5.6	90%
Djibouti	.1	70%
Mozambique	7.4	65%
Sierra Leone	1.8	65%

* 1988 Source: International Fund for Agricultural Development

rural poor, such as credit and transport, and in improving skills, can raise output and incomes significantly.

IFAD has funded a total of 326 projects in 95 developing countries, with loans totaling \$3.5 bn since its founding in 1978. Africa has accounted for 131 projects in 42 countries, 40 per cent of the total. ■

Commodity prices continue their decline

Hesitant recovery in the last months of 1992 has not prevented another year of falling prices for most of Africa's major commodity exports. Already at low levels at the end of the 1980s, the majority have continued to fall in each year of the present decade. With volumes also unchanged, or down in some cases, export earnings have continued to stagnate for most countries.

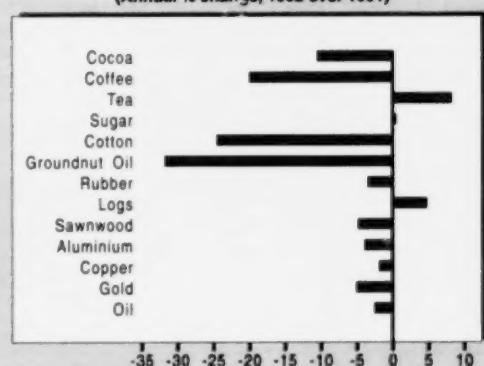
In 1992, only logs, tea and — marginally — sugar out of the 13 commodities monitored by *Africa Recovery* registered a higher average price on 1991 levels. Tea was by far the best performer, with prices up over 8 per cent for the year as a whole. This reflected continuing good demand, while production was down in a number of regions. This included Africa, where drought hit output — and earnings — in Malawi and Zimbabwe.

Other beverages fared less well. Despite a predicted deficit, cocoa prices suffered their eighth consecutive year of falling prices — down 10 per cent. Coffee prices suffered their sixth consecutive annual fall, with a late price rally running out of steam and the commodity posting a 20 per cent decline for the year as a whole. Cocoa faces another difficult year

despite another production deficit predicted for the current season and negotiations for a new stabilization agreement. Prospects look similarly bleak for coffee. In January trading, coffee prices continued to fall sharply despite talks under way in Geneva, presaging another tough year.

Prices for metals and minerals in 1992 were also disappointing — the World Bank's index for this sector is at its lowest ever. Copper prices showed the most resistance to downward pressure and after averaging \$1.03 a pound in 1992, most predictions for 1993 are in the \$1.05-\$1.10 range. Aluminium prices should also improve in 1993, after a 4 per cent fall in 1992. Gold prices fell 5 per cent in 1992 and in January-1993 trading reached a new six-year low. Most predictions for 1993 are around \$350 an ounce after a 1992 average of \$344. Last year also saw a fall in prices for diamonds, though

Africa's commodity prices
(Annual % change, 1992 over 1991)



Source: Africa Recovery, World Bank

there are hopes of modest improvement for 1993.

Oil prices were slightly lower in 1992, with production also lower for countries like Algeria and Nigeria. Prices in late-1992/early-1993 trading were disappointing and Organization of Petroleum Exporting Countries (OPEC) members are discussing further cuts to stem price falls — a move which could again hit earnings this year. ■

Sudan accords to ease relief distribution

Following up on earlier agreements to facilitate the delivery of relief aid throughout Sudan, including rebel-held areas in the south, the government and international non-governmental organizations (NGOs) agreed in Khartoum on 28 January on measures to enhance NGO effectiveness. The agreements covered cooperation in strengthening local and national capacities; balancing emergency needs with vital rehabilitation, recovery and development requirements; and steps to speed up NGO registration and facilitate their operations. A high-level committee will be set up, with government, NGO and UN representatives, to review implementation and resolve difficulties.

Sponsored by the UN, the meeting was chaired by former Minister for Social Welfare and Development Hussein Suliman Abu Salih and co-chaired by Mr. Charles La Munière, deputy to the UN Under-Secretary-General for Humanitarian Affairs Jan Eliasson. Last year, Mr. Eliasson negotiated agreement for the international airlift of relief aid to 21 new destinations in areas controlled by the government as well as the Sudanese People's Liberation Army (SPLA), which was followed by another accord between the government and the SPLA opening river, rail and land routes for food deliveries into the south. ■

Renewed focus on data collection in Africa

With the continued paucity of relevant and accessible data figuring among the obstacles to better development planning, the UN Economic Commission for Africa (ECA) has inaugurated 19 November as African Development Information Day. It joins African Statistics Day, observed for the third time last 18 November by the ECA in Addis Ababa, as occasions for renewing efforts to improve the continent's statistical systems. These systems, the ECA affirms, are vital for planning and monitoring economic programmes such as structural adjustment, for countering the effects of drought and famine, and for promoting food security.

Most of the available data is held in developed countries or scattered in different institutions in Africa. With 17 national and sub-regional institutions already linked by the Pan African Development Information System, more funding and better intra-African col-



laboration are needed to improve the infrastructure and technology of data-gathering and exchange in Africa, says the ECA. ■

Rescuing development from costly disasters

Natural disasters in 1991 had an economic cost of \$44 bn, roughly equal to annual global allocations of official development aid, reports the Secretariat of the UN International Decade for Natural Disaster Reduction (IDNDR). The goal of the Decade is to mobilize scientific and technological know-how in order to foresee and contain the effects of natural disasters. UN Secretary-General Boutros Boutros-Ghali told a meeting in New York of the Special High-Level Council of the IDNDR. At a subsequent session of the IDNDR Scientific and Technical Committee committee in New Delhi, India's agriculture minister, Bal Ram Jakhar said development programmes should not only minimize the diversion of scarce development resources towards relief but also speed the return of investment to disaster-prone areas. ■

New IMF loans for Africa

Ethiopia's agreement in October 1992 with the International Monetary Fund (IMF) on a \$70 mn loan from the structural adjustment facility for 1992-95, has been followed by seven other concessional loans under the IMF's enhanced structural adjustment facility (ESAF). In November, Uganda got \$55 mn for its fourth annual economic programme. In December, Tanzania got \$89 mn in the second year of its programme, along with Burundi (\$58.9 mn; second year); Mozambique (\$42 mn; third year); and Mauritania secured \$47 mn for its 1992-95 ESAF. Benin got a \$65 mn ESAF for 1992-95 in January 1993, and in February, Equatorial Guinea got \$18 mn for 1993-95. ■

Tanzanian appointed to head women's conference

Ms. Gertrude Mongella of Tanzania has been appointed by UN Secretary-General Boutros Boutros-Ghali as Secretary-General of the Fourth World Conference on Women scheduled for 1995 in Beijing, China. Now a UN Assistant Secretary-General, Ms. Mongella was formerly Tanzania's High Commissioner to India, and previously Minister of State for Women's Affairs. ■

LETTERS TO THE EDITOR

Food security and population

I have just read, with mounting incredulity, the *Africa Recovery Briefing Paper on Food Security in Africa* [also excerpted in *Africa Recovery*, Vol.6 No.3]. The paper is well researched, asks some telling questions, and provides some useful answers. But the author avoids the population issue like a bad smell. He mentions that food production has gone up, and says that production per capita has gone down. But he doesn't say why. He looks to the future and doesn't say that he sees a billion people to feed in 15 years' time.

How is it possible to write a paper on Africa's food security without once mentioning the fact that its population has doubled since 1968? Or to talk of the future without mentioning that it may double again before 2000? How is it possible to list steps towards meeting food needs without discussing population, and the growing commitment among Africa's leaders to confront it, along with other development issues which will be crucial in deciding Africa's future?

It adds up to an exercise in unreality. First-time readers are left with the impression that population is no part of Africa's food security problem; and they will not understand why solution's are so urgently needed. More seasoned observers will possibly reject the paper outright, which would be a pity.

The world community long ago stopped treating population as if it were a dirty family secret, to be whispered about in private and ignored in public. Agenda 21, the global plan adopted at the Earth Summit in June, recognized that fertility and family size are essential to the wider issue of sustainable development. So did last August's summit conference of the Non-Aligned Movement. There is an important section on population in the document on the African Economic Community adopted by the OAU Summit last October. And so on.

Africa Recovery's writers should understand by now that population issues are part of the context in any contemporary discussion of development: otherwise, I fear, their credibility is at risk.

Alex Marshall,
Chief, Editorial, Publications
and Media Services Branch,
UN Fund for Population Activities

19 October 1992

A F R I C A WATCH

INTERNATIONAL COOPERATION

Tokyo conference on African development

The United Nations and the Global Coalition for Africa (GCA) are joining with the Japanese government to convene a major conference on African development. The conference will take place in Tokyo from 4-6 October with 12-15 heads of state expected to attend.

First proposed by Japan at the September 1991 meeting of the General Assembly's Ad Hoc Committee of the Whole, which reviewed the UN's 1986-90 Africa programme, the conference is designed to affirm the need for the international community to give strong assistance to African countries in the face of competing global demands for aid.

Central issues of African development that are likely to be addressed include political and economic reforms, emergency relief and development, the role of the private sector, regional cooperation and integration, international cooperation for sustainable development, and a comparison of African and Asian experiences of economic growth.

Major donors are expected to attend, along with representatives from the main international organizations involved in African development. Preparatory meetings for the conference are scheduled for March in Tokyo and June in Dakar. ■

AGRICULTURE

IFAD's Africa programme under threat

The continuation of the International Fund for Agricultural Development's (IFAD's) special programme for Africa could be at risk following a poor response to calls for its refinancing and disputes among donors over future funding of the Rome-based UN agency, writes *John Madeley from Rome*. IFAD's new President, Mr. Fawzi Hamad Al-Sultan, from Kuwait, is currently attempting to get new talks started as soon as possible after a fourth meeting of donors at the end of January failed to produce any agreement on either issue.

So far, only \$100 mn has been pledged to the second phase of IFAD's \$300 mn, three-



Mr. Kofi Annan



Mr. Nitin Desai



Mr. Jean-Claude Milleron

New appointments and restructuring at the UN

African issues will be among the major challenges faced by the three new Under-Secretaries-General appointed recently by UN Secretary-General Boutros Boutros-Ghali. Mr. Kofi Annan is now in charge of all UN peace-keeping operations, including those in Angola, Mozambique and Somalia. Mr. Annan, from Ghana, was Assistant Secretary-General for Peace-keeping, and previously Comptroller of the UN. He replaces Mr. Marrack Goulding who now heads the Department of Political Affairs.

The continuing restructuring of the UN's economic and social sectors has seen the replacement of the Department of Economic and Social Development (DESD) with three new departments. Mr. Nitin Desai of India, former Deputy Secretary-General of UNCED, heads the new Department of Policy Coordination and Sustainable Development, while Mr. Jean-Claude Milleron, Special Adviser to the Secretary-General on Economic Affairs, heads the new Department of Economic and Social Information and Policy Analysis. Mr. Ji Chaozhu, head of the former DESD, continues as Under-Secretary-General in the new Department of Development Support and Management Services. ■

year special Africa programme, set up in 1986 to assist sub-Saharan African countries hit by drought and desertification. The programme has so far supported 33 projects in 22 countries, but its resources are running low. In 1992, it could only support three new projects — in Mauritania, Sierra Leone and Sudan — but hopes to fund 11 new projects this year.

Funding for IFAD's regular programme is also in difficulty. Set up in 1977, the agency has three-year budget cycles supported by Western countries and members of the Organization of Petroleum Exporting Countries (OPEC). With further replenishment now due, both groups agree that IFAD needs some \$600 mn for its next three-year cycle. While OPEC countries want to cut their traditional 40 per cent share following downturns in their own economies, Western countries want to keep the 60:40 ratio.

If IFAD's finances are reduced, then its lending will in turn start falling by end-1993, and its viability as a separate body open to question. In 1993, it hopes to lend \$336 mn to 25 new projects, including one for drought-hit Somali farmers. Over two-fifths of IFAD loans have been to African countries and, with its reputation for efficiently disbursing funds to small farmers, any cutback, much less its demise, would be a serious blow. ■

DEBT MANAGEMENT

UNCTAD to expand debt-monitoring system

A computerized debt information system developed by the UN Conference on Trade and Development (UNCTAD) is set for a four-year expansion with a \$5.3 mn grant from the UN Development Programme (UNDP). Some 20 countries already use the system, which enables developing countries, some with hundreds of loans on their books, to keep track of their obligations and avoid the overpayments to creditors and penalties for arrears that result from poor book-keeping. They currently rely on their creditors for information, and have no independent means of verification.

Working with the World Bank, UNCTAD will perform debt audits, provide debt management software, train local officials, and advise on data collection and analysis. Savings could run into millions of dollars a year for individual countries, while UNCTAD estimates that it would cost some \$200-300 mn to computerize the debt portfolios of all developing countries in the next five years. With developing countries increasingly requesting help in debt management, UNCTAD hopes that creditor countries will contribute funds to the project. ■